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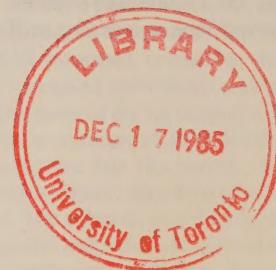
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First Session, 33rd Parliament

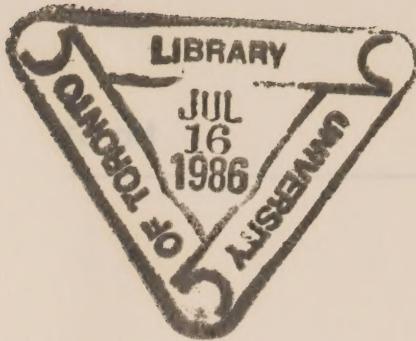
Thursday, December 5, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, December 5, 1985

The House resumed at 8 p.m.

ORDERS OF THE DAY

ONTARIO DRUG BENEFIT ACT

Hon. Mr. Elston moved second reading of Bill 54, An Act to Authorize and Regulate the Payment by the Minister to Specified Persons on Behalf of Specified Classes of Persons for the Dispensing of Specified Drugs.

Hon. Mr. Elston: On November 7, I introduced two bills in the Legislature concerning prescription drug pricing and consumer protection. The Ontario Drug Benefit Act will for the first time give the government legislative authority to manage the Ontario drug benefit plan. Specifically, it will empower the government to determine what drugs are to be included in the Ontario drug benefit plan, the prices the government will pay for drugs listed in the Ontario Drug Benefit Formulary and who is eligible to receive drug benefits.

This new act will end price spread, which has caused the government of Ontario to pay greatly inflated prices for drugs, a situation that has placed an unjust burden on the Ontario taxpayers and consumers. In addition, the new act provides flexibility so that no pharmacy operator will be reimbursed for drugs dispensed under ODB at a level lower than what pharmacies pay for the drugs. This flexibility is an important feature of the act, ensuring the continued economic viability of small, independent pharmacies.

The second bill I introduced is the Prescription Drug Cost Regulation Act. It will govern all drug purchases in Ontario—cash purchases and purchases under private drug plans as well as those under ODB.

The effect of this act will be to ensure that high-quality, low-cost drugs are available to all Ontario consumers. Under this act, the government will be able to decide which drugs are interchangeable on the basis of the recommendations of the drug quality and therapeutics committee, an expert committee of professionals that advises the Minister of Health.

The act will protect consumers in several ways. Pharmacists will be required to inform customers of their right to request a less expensive interchangeable drug, except where

physicians' prescriptions specifically state no substitution. For all interchangeable drugs dispensed to cash customers, pharmacists will be free to set their own dispensing fee, but they will be required to post this fee prominently and to inform customers about it. They will also be required to register the fee with the Ontario College of Pharmacists. All these features are designed to ensure realistic prescription costs and to protect Ontario consumers from unnecessarily high costs for prescription drugs.

The two bills and the draft regulations I introduced on November 7 were widely circulated to groups that represent consumer interests, drug manufacturers, drug wholesalers, third-party insurers, pharmacists and other professionals, such as physicians and dentists. We actively solicited informed comments and suggestions from interested individuals and groups, so that the final form of the legislation would protect the legitimate interests of all concerned.

During the last few weeks, I have received numerous letters concerning the proposed legislation. My officials and I have met with many groups and individuals to discuss the bills. I have been impressed with the many positive and constructive suggestions I have received. I want to assure the members of this House that these suggestions have been given careful and serious consideration. As a result of some of the concerns expressed to me, I intend to propose several changes to the legislation when it is presented for discussion in committee.

Further, authority for enforcing the Prescription Drug Cost Regulation Act may be assigned by regulation to either a minister of the crown or the Ontario College of Pharmacists. After discussions with the college, I have decided to recommend that enforcement of this act should be delegated to the college. This is compatible with the concept that pharmacy should continue to operate as a self-regulating profession.

Enforcement of the Ontario Drug Benefit Act will be the government's responsibility, reflecting the fact that ODB is a government program. I will outline the specifics of proposals for additional changes to both acts when the committee meets to discuss the two bills.

I wish to impress upon the members of the Legislature that we all have a responsibility to deal with these two bills on an urgent basis, so that we can proceed with the publication of a new ODB formulary. The formulary which is currently in use was published last January. It is now seriously outdated and its continued use is causing hardship to taxpayers and consumers.

Taxpayers are suffering because many prices for drugs listed in the current formulary reflect price spread, which means the government continues to pay greatly inflated prices for some drugs.

As regards consumers, many of them elderly people with restricted incomes, they too are being inconvenienced because physicians have prescribed certain new drugs that could be included as benefits in the new formulary, but which are not now listed in the current one. This also has implications for the manufacturers of those products.

Furthermore, the delay in publishing a new formulary means the increase in the federal excise tax levied last July 1 on nonprescription drugs, and the additional one per cent increase in that tax which is to become effective January 1, cannot be reflected in prices paid by the government under the ODB program.

Many representatives of Ontario senior citizens, as well as groups representing other consumers, have expressed their solid support for these two bills. They welcome this legislation and they have indicated they would be extremely disappointed if it was not enacted as quickly as possible.

I urge all members of this House to remember the legitimate concerns of Ontario's consumers and seniors. It will be these groups that suffer most if we do not act speedily to move from second reading and into committee.

I am pleased to have this bill in front of the House for second reading and I look forward to the comments of my colleagues and the support of the members of this Legislature, so that we can get on with the committee discussion and the work that remains to be done there.

Mr. Pope: I too look forward to the discussion of this bill in the Legislature. I want to comment briefly on the statement given by the Minister of Health and on the proposed amendments on the eve of introduction of this bill for second reading, combined with a request that all honourable members co-operate in ensuring its quick passage. It is one-way co-operation.

I want to comment on a couple of points raised in the statement. First, there is a statement on page 3, which says:

The two bills and draft regulations that I introduced on November 7 were widely circulated to groups that represent consumer interests, drug manufacturers, drug wholesalers, third-party insurers, pharmacists and other professionals, such as physicians and dentists. We actively solicited informed comments and suggestions from interested individuals and groups, so that the final form of the legislation will protect the legitimate interests of all concerned."

I would also draw the attention of the House to the statement on page 5, where the minister indicates his only option with respect to consumer interests is not to add to the existing formulary but to pass this piece of legislation. He said:

"As regards consumers, many of them elderly people with restricted incomes, they too are being inconvenienced because physicians have prescribed certain new drugs that could be included as benefits in the new formulary, but which are not now listed in the current one. This also has implications for the manufacturers of those products."

8:10 p.m.

I would like to talk about some of the background to Bill 54 and the related legislation in Bill 55. Tonight we are addressing Bill 54. On November 7, when the minister rose in this Legislature to announce these new initiatives, he said, and I am quoting from page 3 of Instant Hansard: "Unrealistic drug prices are a major contributing factor to the rising costs of the ODB plan and the problem is not a new one. It would appear the previous administration became aware of it shortly after the plan was introduced in 1974."

I want to come back to that a little later. I want to link that comment with the minister's statement just now on page 3 of his statement that said this piece of legislation, Bill 55, and the accompanying regulations were widely circulated.

Then we get to the estimates committee. Specifically, I refer the members to page 7 of the proceedings of Wednesday, November 20, 1985, the afternoon sitting. In comparison to the minister's statement, which said, "It would appear that the previous administration became aware of it shortly after the plan was introduced in 1974," we see in the statements in the estimates by those responsible for the administration of the plan something more resembling the truth.

I quote from Mr. Burrows on page 7 of Instant Hansard for the afternoon sitting of November

20: "A price war developed—I am sorry I cannot remember—either early 1982 or 1983—not 1974—"where suddenly generics came on the market and started competing head on in price, and the real price in the market dropped to the order of \$12 to \$13. The listed price for the generics in the book was about \$20. They had a very significant price spread.

"Couple that with the volume of drugs that was used in drug benefit, the magnitude of the individual problem related to an individual drug was far out of proportion to what it had been even one or two years earlier. With the advent of more and more competition for increasingly higher-priced drugs, there was a fairly rapid acceleration in the growth of this spread between 1982 and 1984."

Hon. Mr. Elston: Check back and take a look at the Bailey report.

Mr. Pope: These are the minister's own employees. They are his own words. It is in the estimates of his own ministry, and it is in direct variation with his comments that this was a large and well-known problem in 1974 that we did not address.

Hon. Mr. Elston: Take a look at the number of reports. Several were done before 1982.

Mr. Pope: I am continuing with my quote from page 7 of November 20, 1985: "In fact, it went from a situation of being in the hundreds of thousands of dollars range to being in the several millions of dollars range very quickly. In 1983, the government took action with respect to cimetidine, the drug I mentioned, by fixing the price at a more realistic level in the July 1983 formulary.

"I would like to point out, too, if I can backtrack a second, one significant point to understand this manipulation of the listed price based on quotas from the manufacturers. It has two effects. First, if the manufacturer who profits by the price spread by selling the drug on the basis of how much can be obtained in the price marketplace because of the way the system was set up, that would have an immediate impact on the consumer.

"By not wanting to be the lowest price, in other words, wanting to compete with the other manufacturer on the basis of spread, this had a somewhat delayed effect on the drug benefit because the bottom line would start spiralling upward as no one wanted to be that lowest price." That is in 1982 and 1983. "So you had an immediate disadvantage for the cash-paying customer, which is not fulfilling the intent of the original legislation. Then coming back six

months later when it was time to plan a new formulary, quotations coming in were ensuring that the bottom line was rising, which had a direct effect on government expenditure. That spiral has continued.

"In July 1983, cimetidine action was taken. At the same time the cimetidine problem became apparent through our research and market statistics, we started to do a retroactive analysis of other drugs in the market to see if there was anything we could learn from that. We went out and got data that we had never seen before.

"It became evident from that research, which took several months, that the problem was big and it was growing, with the result that in the fall of 1983 the ministry entered into intensive discussions with the profession of pharmacies, represented by the Ontario Pharmacists Association, and representatives of the drug manufacturing industry, the Pharmaceutical Manufacturing Association of Canada and the Canadian Drug Manufacturers' Association, representing the generic drugs.

"Suffice it to say that after many attempts at resolving the problem, lengthy discussions at many meetings and proposals for changing the way the formulary is listed and proposals for listing the product selection, legislation on which all this hinged, there was no consensus. The problem was not resolved. However, there was an agreement in February 1984, whereby there were agreements to do certain things to deal with this problem. One thing that was common at that time was the opinion of all parties concerned that this was an issue that had to be addressed and we had to find some way to resolve the problem.

"There was a three-part agreement at that time. The first part was that 30 new high-volume drugs would have their prices reduced to realistic levels. Because the ministry had been unable to get some of the manufacturers involved to quote realistic prices, there was an arrangement agreed to whereby the pharmacists association went out and sought pricing information, brought that information back to the"—

Mr. Breaugh: On a point of order, Mr. Speaker: I would like to refer you to standing order 19(d)(4), which deals with the matter of reading unnecessarily. While I am entertained by the honourable member's ability to read, I believe it is against the standing orders.

The Deputy Speaker: That is a valid point of order. Perhaps the member would cut it down.

Mr. Pope: I have half a page left.

The Deputy Speaker: Perhaps you would cut short or paraphrase.

Mr. Pope: No, I am going to read the next half page, Mr. Speaker, because it indicates that what this minister said on November 7 about this problem being in an existing form in 1974 was what his own officials did not say in the estimates of the Ministry of Health on November 20. I think he owes the members of this party an explanation for that kind of comment, which is becoming all too common in his statements in the Legislature.

The Deputy Speaker: The Speaker has asked the member for Cochrane South to make the balance of this quotation very short from this particular article.

Mr. Pope: I will just complete this paragraph. Then I will say a few words and refer to other material.

Mr. Breaugh: That is reading unnecessarily.

Mr. Pope: Yes, according to your definition. Interjections.

Mr. Pope: "The pharmacists association went out and sought pricing information, brought that information back to the ministry and between those data sources there was an agreement on price. So 30 high-volume drugs had their prices reduced. The net impact of that was in the order of a \$14-million reduction in drug cost expenditures."

This is what is going on in 1984 after the government became aware in the fall of 1983 of the consequences of the rapidly accelerating price spread. The fact, as Mr. Burrows said, was that it was no longer becoming a problem of hundreds of thousands of dollars, but of millions of dollars. Faced with that reality in 1983, there was an attempt by the previous government to solve the problems, and we used the assistance of the pharmacists association to deal with 30 specific drugs that were causing a major concern in the Ministry of Health.

That was the action that was taken in 1984, which is a far cry from the statement that this problem existed since 1974 and that there was a lack of will to do anything about it. This comes from the statements made by this minister's own officials in the estimates of the Ministry of Health.

I draw members' attention to the comparison of those statements with the statements of the minister on November 7 in this House. Members can draw their own conclusions from that comparison.

Also we indicate—

8:20 p.m.

Mr. Stevenson: Now for a further quote.

Mr. Pope: No. I will just summarize the next point.

The next point is again on page 9 of the transcript of November 20, 1985. It says that in addition to rolling back the costs on those 30 specific drug items, there is also an agreement to adjust the fee temporarily from \$4.65 to \$5, and the fee stands at that point today. That again was part of the negotiations and discussion that went on with the Ontario Pharmacists' Association in 1984.

The third part of the settlement was that a commission was established under John Gordon, dean of the school of business at Queen's University. Through most of 1983 he deliberated and gathered input from all the interested parties. He presented his report in the fall of 1984, and a very comprehensive report it was. It was widely publicized and commented upon by those involved in the profession and in the operation of pharmacies across the province, by those who have some concern about drug prices and the quality of drug dispensing across the province.

That was the situation as it stood, with negotiations in the spring of 1985 with the OPA and the college under the previous administration.

I also want to comment on the statement the minister just made with respect to extensive negotiations. I refer members to the Hansard transcript of the standing committee on general government when it was dealing with the estimates of the Ministry of Health on Wednesday, November 20, 1985, at its morning and afternoon sittings, and to the transcript of the proceedings on Wednesday, November 27, 1985. I refer members to page 12, where there is a rather interesting exchange:

"Mr. Pope: I understand everything you said. Now, getting back to the question I asked, how many times—and if you said this last week, and if that is the complete answer, okay, that is fine—have you met with the OPA with respect to the legislation now before the House?"

"Hon. Mr. Elston: We briefed them on November 7, and we have had several meetings with pharmacists. Now, the OPA itself—Mr. Belitz, if you would like, is president—I cannot tell you how many times I met with him on this specific legislation. Probably, in terms of the entire draft, I did not meet with Mr. Belitz before it was introduced."

"Mr. Pope: Do you think in retrospect that is one of the problems you are facing right now?"

"Hon. Mr. Elston: I do not think it one of the problems I am facing right now.

"Mr. Pope: Do you have any plans to meet with the OPA before we proceed further with the legislation?

"Hon. Mr. Elston: Well, I met with Mr. Belitz, for instance, on Friday, and he probably told you.

"Mr. Pope: I have not talked to him.

"Hon. Mr. Elston: No, but we met with him last Friday. He wanted 15 minutes to come in to chat with me. He made it very clear it was not negotiations. I could not understand why, but he said: 'Do not call this negotiations. Do not say it is anything more than an information exchange;' and so I said, 'That is fine.'

"Instead of 15 minutes, we spent half an hour or so talking about things with respect to the ad campaign generated by the pharmacists. I had anticipated receiving some input from the OPA, but he advised that the OPA would be forwarding their comments on the legislation to the ministry yesterday, and I have not seen them, but I understand they did arrive. I am not certain of that, but I understand they were supposed to have arrived yesterday."

Then on page 14:

"Mr. Wiseman: To clarify what was said last Wednesday when we were discussing this and I had asked, after meeting with my pharmacists, about how many meetings you had prior to the legislation going out; I do not have a copy of Hansard last Wednesday afternoon, but from what you gave my colleague Mr. Pope, it would appear you met with them once but you never showed them the draft legislation before it went out, so that what my pharmacists were saying is in fact true.

"I took all those dates that you gave me last week at face value. I do not have Hansard here but I am going to read it and check." I will delete the next sentence from the transcript—

Mr. Breaugh: Why?

Mr. Pope: Okay. "I felt I was maybe misled a little on the number of meetings and with whom. It seems you had them with private individuals and not with an individual who speaks on behalf of anyone."

Then on the next page: "...when you had a meeting November 7 with the OPA, my understanding is you had the draft legislation in your hands when you met with them.

"Hon. Mr. Elston: But before that there were meetings as well between staff and OPA as well.

"Mr. Pope: Not on draft legislation, though.

"Hon. Mr. Elston: With respect to parts of the draft legislation—

"Mr. Pope: Did your staff—I do not think there was legislation in front of them.

"Hon. Mr. Elston: I do not think there was. I was not at those meetings but I suspect there were not pieces of draft legislation at those meetings."

We heard the statement tonight that, "The two bills and draft regulations I introduced on November 7 were widely circulated to groups that represent consumer interests, drug manufacturers, drug wholesalers, third-party insurers, pharmacists and other professionals, such as physicians and dentists." However, in reality what we have is draft legislation that was waved at the OPA and perhaps the college on the day it was introduced. There were no discussions with the OPA and the college with respect to this draft legislation before it was introduced.

If there was circulation, it was after introduction; that is a very important difference, and it lies at the root of this minister's current problems in his relationships with a number of people in the various health disciplines of this province. He proceeded to draft legislation on this very fundamental change, which has such a dramatic impact on the profession of pharmacy in this province, without consultation. There was no discussion of the draft legislation. There was no open meeting where the proposals were on the table for examination and discussion.

On November 7, the day of the grand announcement in the Legislature, people were summoned to the minister's office and told, "This is what you are going to get later today." That is vastly different from the wording contained in this statement tonight and from the wording we heard in estimates of the Ministry of Health in mid-November, and that lies at the root of the reaction of the pharmacists of this province to this legislation.

What I want to do, as spokesman on behalf of my party, is to talk a bit about this reaction and about how it involves all of us in the Legislature as members. We have all heard from pharmacists. We have all received letters. We have received deputations. We have talked to them on the phone. We all understand their concerns. We all understand at the root of the concern was a statement being made by every single pharmacist across the province that this minister did not consult on the legislation and regulations before they were introduced in the Legislature. That was a dramatic departure from their normal relationship with the government, and they had the right

to expect better from this minister and this government.

Yes, as a party, we do understand that there have to be changes to the Ontario drug benefit plan. We do understand the conclusions and recommendations of the Gordon report. We do understand how tough an issue it is for the Minister of Health (Mr. Elston) to address. We do understand the concern of all the interest groups in Ontario society that this matter be resolved to the satisfaction of everyone, including the consumers. As a party, we understand that, and we understand how tough it is for the Minister of Health to deal with this issue. However, our party has grave difficulties with this legislation, the way it was handled and what it represents.

8:30 p.m.

As I said, we are aware of the problems of the functioning of the Ontario drug benefit plan; they are apparent. We recognized them, and in 1984 we made our own attempt to take action with respect to 30 specific drugs. We commissioned the Gordon report to identify and analyse the problem and to recommend some solutions. The recommendations of the Gordon commission formed the framework of our negotiations with the OPA to change the Ontario drug benefit plan to ensure lower drug prices, and those negotiations were under way in the spring of 1985.

As well, we introduced the substitution of generic drugs for name-brand drugs if the generic product is interchangeable and cheaper. As it stands now, the pharmacist can substitute in these situations. We also encouraged doctors to prescribe generic products when they are suitable. This has proved to be very successful, and the number of prescriptions written for generic products has increased by at least 35 per cent over last year alone.

We do not think the bills being presented by the current government accomplish the goals we worked so hard to achieve and which the current government is genuinely working to achieve. We are concerned that the bills will do exactly the opposite. The legislation could drive the cost of prescription drugs higher because under the legislation, only one drug product, the cheapest, will be listed for sale in the Ontario drug benefit plan formulary. The other manufacturers of that product could be shut out of the Ontario drug benefit plan market, and their products will be available only to cash-paying customers, who will now have to pay more for this drug.

A company must recover the costs of producing a product and make a profit from its sales

revenues. Even the New Democratic Party admits this. For example, if a company needed to make \$100 from sales to recover its costs and make a profit, and it sold 100 units of the product, it would charge \$1 per unit. If it sold only 50 units, it would have to charge \$2 per unit. Customers in the cash market may have to pay more because of the impact on some of the drug manufacturers in Ontario. Fewer units could be sold, and the cost of those units would have to be higher.

We share the concern of the Minister of Health with respect to senior citizens and welfare recipients, but we are also concerned about their right to choose the most appropriate medication for them as individuals, in consultation with their doctors and their pharmacists. They will have to take the medication listed in the formulary. Other members of society will retain the right to choose the drugs based on advice and information from doctors and pharmacists, but not those under the Ontario drug benefit plan.

We are concerned, as is the Minister of Health—and this has been said across this province by many more than the members of this party—that one of the potential impacts could be that many independent pharmacies will be driven out of business and many rural communities in all regions of the province will be left without a pharmacy.

We are concerned—and the minister has attempted to address this at the last minute tonight, without discussion—that policy can be established under these bills by setting regulations in cabinet. There will be no checks or balances on the policies that could be created by regulation. We are not talking about the law now; we are talking about policies that can be set by regulation, which will not be responsible to the Legislature and which will not allow interested parties the opportunity to have any input.

One of the potential side-effects of this combined legislation will be that it will allow third parties to make therapeutic decisions for others. Anyone who walks into the pharmacy to pick up prescriptions—relatives, children, taxi-cab drivers—could be asked to decide which medication should be dispensed.

We also have long-term concerns about employment as a result of these two pieces of legislation, in pharmacies, in drug manufacturing industries in the province and in the suppliers to the pharmacists in this province.

All these concerns are not being talked about just by members of this party; they are also being talked about by members of the third party, in

every constituency across this province, by pharmacists and by others who are concerned not only with this legislation but also with the way in which it is being handled.

I reiterate that our party is not opposed to change in the Ontario drug benefit plan, but we do voice our concern about these two pieces of legislation, the way they have been handled and their potential effects, which obviously had not been contemplated by the officials of the Ministry of Health before they were introduced in this Legislature on November 7. That is our concern.

We do know about the growth of the Ontario drug benefit plan, both in terms of the total number of claims and in terms of total cost to the government of Ontario. We are aware of the Ontario-Saskatchewan cost variances per 100 tablets for a number of specific drug products. We are aware of the status of the 33 high-volume drugs that are being dispensed in Ontario. However, far from resolving the difficulties of the Ontario drug benefit plan and the issues of the relationships between the government and the Ontario Pharmacists' Association and the college, this legislation creates more problems than it solves. Why?

I heard the minister's response in the Legislature to the question of the member for Grey-Bruce (Mr. Sargent) a couple of weeks ago. The minister could not understand what all the dispute was about; the thing was going to committee. Almost every pharmacist in the province was wrong and the minister was right. The ads that appeared in all the newspapers were ill-conceived and uninformed. However, the volume of mail we have all been getting on this issue speaks to the fact that there has not been the fullest of communication between the Minister of Health and the pharmacists of this province.

We look at the ad by the Ontario Pharmacists' Association, headed "Prescription for Trouble." The minister has commented on it. He has commented on it in press conferences, saying, "Confrontation has escalated since November 7," and he has indicated his concerns about the ad. However, the Ontario Pharmacists' Association is correct when it says: "We have one of the best health care systems in North America, if not the world. It is based on communication. It is based on respect for professionalism. It is based on co-operation." That is the formula for building the health care system that we are all proud of and that we all want to improve.

This minister has thrown that co-operation out. He has thrown the communications out. He

started communicating on these bills on November 7, and in doing so, he has left an unfair perception that he does not respect the professionalism of the pharmacists of this province.

I tried to talk to him about this in the estimates of the ministry on November 27. As usual, I got nowhere. I tried to draw from him a statement about how he saw the professionalism of the pharmacists of this province and the role of the college and the OPA coming into play. Instead of seizing the opportunity to put on the record his point of view on their professionalism and what they could do to make the system work better, his comment was that the Ontario drug benefit plan was a government-run plan, and the government was going to run it. That is not the kind of response we need if we are going to work out a solution with respect to Bill 54 and Bill 55 with the OPA and the college.

Ads are going into the newspapers that are causing concern, and no doubt the minister has launched a counter-campaign. We are headed towards complete confrontation. There will be more ads. There will be open-line shows. The minister will do his share and go on open-line shows, and the pharmacists will go on open-line shows themselves. Everyone will dig in, and we will have a full-scale confrontation from one end of this province to the other with respect to Bill 54 and Bill 55. I simply have to ask why. Why?

It all started on November 7, when the two pieces of draft legislation were waved under the noses of the pharmacists and the OPA, and that was the answer of the government.

Mr. Stevenson: Trudeau-style confrontation-al government. Split the country apart, and then go in and be the hero and try to solve it. Trudeau-style confrontational government.

8:40 p.m.

Mr. Speaker: Order.

Mr. Pope: I would refer the members of this Legislature to the correspondence between the Ontario Pharmacists' Association negotiating committee and this minister and the ministry with respect to the legislation and draft regulations. I just want to read the first line from a letter where we are talking about negotiation as opposed to confrontation.

"The written submission which you requested from our negotiating committee last Monday, November 18, was completed over the weekend by members of the committee and is now enclosed for your consideration. Please note that we found it very difficult to do such an important presentation in such a limited period of time.

"We would also ask you to note that this submission at this date officially represents the views of the negotiating committee members only. Some members of the executive committee have been involved in its preparation and we also have had the benefit of the input during last two weeks of a large number of our members both directly and through their elected council members.

"The negotiating committee accordingly feels comfortable in suggesting that its position paper will undoubtedly be endorsed by council as soon as council is able to vet it. In the meantime, the committee members are available for discussions with you and trust that OPA will be given an opportunity to appear before an appropriate committee of the Legislature to express our concerns in that forum as well.

"These matters, you will appreciate, are extremely important to every pharmacist in Ontario, and we have no hesitation in saying that all pharmacists will agree, if a choice becomes necessary, that a much higher priority should be given to the legislation being put into appropriate form and substance before it is enacted than to simply having something in place by the date which the minister has selected as his target date, January 1 next, for a new formulary.

"We look forward to your early response."

On Monday, November 18, the Minister of Health asked the OPA negotiating committee for a detailed reply to Bills 54, 55 and the draft regulations thereunder. That was on November 18, and we are talking about two major pieces of legislation that will have a dramatic impact on pharmacists in this province, according to the Ontario Pharmacists' Association.

The paper the negotiating committee prepared for the minister puts a number of questions. First of all, concerns—and I am not going to read the entire document—

[Applause]

Mr. Pope: Although I may.

"(1) While the goal of the government to reduce the cost of prescription drugs is commendable and has always been embraced by OPA, the plan being put forward by the government is ill-conceived and destined to failure."

The very first point of the negotiating committee of the OPA is that the proposal of the minister will not work, that it will not reduce the cost of prescription drugs, which is the fundamental reason that the minister introduced the legislation. From the very goal of the legislation we

have a direct conflict of interpretation of result between the OPA and the minister and his staff.

On page 7: "(2) The proposed legislative package discriminates against pharmacists."

This is a very serious charge by the OPA that the legislation discriminates against pharmacists.

"(3) The government's proposals, while adopting some of the Gordon commission's recommendations, negate the fundamental principle of drug pricing adopted by the commission."

In other words, this government, according to the OPA, has not followed the recommendations of the Gordon commission.

"(4) 'Dispense as written' has long been a point of controversy in the continuing ODB contract negotiations, and while Bill 55 appears to adopt this concept it is apparent that the government intends to invoke it only in certain cases, notwithstanding the wording of the bills." In other words, they are not sure of the intentions of the government and it obviously has not been cleared up in discussions with the Ontario Pharmacists' Association, this minister and his staff.

"5. Actual acquisition costs: if adopted, will it mean the death of existing brand-name interchangeable drugs in Ontario, and with it a formidable deterrent against drug innovation in Ontario?" That is a very serious allegation about the future of the drug industry in this province.

Then they go on to list a number of unanswered questions with respect to the legislation. Again, this was delivered on November 25, 1985, a week after it was requested by the Minister of Health. They have already challenged most of the basic principles and goals of the minister as not being met in Bills 54 and 55. They proceed to list issues they do not think have been addressed properly in Bills 54 and 55.

"1. Under Bill 54, does the definition of 'drug' include such items as milk of magnesia and mineral oil, which are currently benefits under the ODB plan?

"2. Under the same bill, does the definition of 'prescription' mean that a prescription issued by a podiatrist for an eligible drug for an eligible person can be billed to the ministry?

"3. What fee will be payable to a dispensing physician compared to the fee payable to pharmacies?

"4. Why have the words 'the minister may make this act apply' been used in section 6(1) of Bill 54?

"5. Because the bills refer to an operator of a pharmacy, does it follow that an employed

pharmacist who does not fall within that definition is not covered by the provisions of the bills?

"6. In the same vein, is an employed pharmacist excluded from the protection of section 6, subsection 2 of Bill 54?

"7. Is there any situation, other than charging a patient for a prescription, where the drug is not a listed drug and it subsequently turns out that the drug has been authorized by the minister, to which section 6, subsection 2 of Bill 54 applies?

"8. If section 7 of Bill 54 is intended to cover situations where listed substances are to be provided by persons not qualifying as operators of pharmacies, should the section not make it clear that this will only occur where an operator of a pharmacy is not available to provide the service?

"9. Shouldn't the words 'reasonable dispatch' in the inspection sections of the the two bills be replaced by words such as 'immediately' or 'forthwith'?

"10. Why isn't OPA, in its customary role as a spokesman for pharmacy, mentioned in the appropriate subsections of the enabling section dealing with the regulations that can be made?

"11. Why is there to be a change in the provisions of section 7 of Bill 54 at some later date?

"12. Why is Bill 54 silent as to who will be responsible for administering it?

"13. Do you agree with our interpretation of the definition of 'interchangeable product' in Bill 55 as excluding single-source drug entities?

"14. Do you consider the definition of 'interchangeable product' broad enough to permit similar products, such as amoxicillin and penicillin V to be treated as interchangeable?

"15. Section 2 of Bill 55 seems to require the steps of subsection 3 to be taken even if a pharmacist has opted for product substitution under subsection 1 or the patient has requested product selection under subsection 2. Why is this?

"16. Why is the term 'dispenser' introduced in Bill 55, yet not defined?

"17. We interpret subsection 3 of section 2 (3) of Bill 55 not to be applicable to verbal prescriptions. Do you agree with this?

8:50 p.m.

"18. The concept of 'single maximum dispensing fee' under section 4 of Bill 55 is unrealistic in view of the multiplicity of fees that have to exist for different products and situations unless the fee to be selected is simply one large enough to encompass all situations. Is this the intention of the draftsman?

"19. Why is there no provision for the single maximum dispensing fee to be altered from time to time? This appears to be an oversight.

"20. The requirement to post a fee, as distinct from filing it with the registrar of college, presents even greater problems. Has any thought been given to the details that will have to be incorporated in the regulation? The draft presented is inadequate in this regard.

"21. As long as different drug costs must be identified for the same product depending upon the payer for the prescription and whether it is interchangeable or not, the effect of section 8 of Bill 55 will be to cause confusion to the public and to pharmacists as well as unfair competition among pharmacies. The proposed regulations do not do anything to avoid this. Has any further consideration been given to this very serious problem?

"22. Why are different standards applicable to inspections under the two bills?

"23. Subsection 12(3) of Bill 55 seems to suggest a hidden agenda that has not been carried forward as yet in the draft regulations. Is this true, and if so, what is contemplated?

"24. Why does subclause 6(a)(iii) of Bill 55 draft regulation exist? It seems to be redundant."

Mr. Speaker: Perhaps the member would return to Bill 54.

Mr. Pope: Do not worry, Mr. Speaker. Finally:

"25. The provisions in the ministry's proposal seem to give the government unlimited authority to require pharmacies to prepare and file purchase and sales information whenever requested to do so. This could be abused and be very costly to pharmacies. What protection is intended? Or alternatively, what compensation will be offered to pharmacies for this reporting service?"

All of these 25 questions, as well as basic challenges to the laudable goals and to the effect of this proposed legislation, were proposed to the minister by the Ontario Pharmacists' Association by delivery of a letter on November 25.

Lest the members think the final point in that list is not important, we then have a document issued by the Ministry of Health, drug programs and policy branch, 6th floor, 7 Overlea Boulevard, Toronto, dated November 27, 1985. That is two days after the OPA put on record its concerns and its questions with respect to these two pieces of legislation. It is entitled, "Re: Urgently Needed Pricing Information for the Ontario Drug Benefit Formulary, January 1986.

"This is further to a letter dated November 7, 1985, sent to all drug manufacturers by the Honourable Murray Elston, Minister of Health. Included with that letter was an information package concerning two new pieces of legislation, the Ontario Drug Benefit Act, 1985, and the Prescription Drug Cost Regulation Act, 1985, which were introduced in the Legislature on November 7, 1985. You were also informed that the government of Ontario plans to have the legislation in place by January 1986."

They did not discuss it with the House leaders, but they announced it would be in place in January 1986.

"In order to compile listings of drug products under the new acts and a price listing for Ontario's drug benefit, and in order to have this in place by January of 1986, the ministry requires the urgent co-operation of your company."

One-way co-operation again.

"Pricing information for the ODB Formulary plus sales data on average selling prices for all drug products, listed or proposed for listing, are required. Listing as a benefit in the formulary is contingent upon the manufacturer providing the required sales data."

In other words, they have to do it right away or they are not in. It is going to be in by January, and the cutoff date is Monday, December 9, 1985. In other words, on November 27 a letter is sent out to all the drug manufacturers saying, "Have all the information in by December 9 or you are not going to be in the formulary for 1986." It is underlined, just so they do not misunderstand this one-way co-operation that is being proposed.

"The ministry reserves the right to delist drug products or to establish alternative reimbursement amounts for drug products considered to be essential therapeutic benefits. To facilitate your submission,"—and this is really good—"your submission of realistic and accurate drug sales information, the following brief description of the format of the drug listings originally provided to you in the minister's November 7 letter is repeated:

"(a) The schedule of interchangeable products under the Prescription Drug Cost Regulation Act, 1985, will set out interchangeable products in a format similar to that utilized in the current January 1985 Parcost Comparative Drug Index, except there will be no product amounts, i.e. prices." That is underlined as well.

"The schedule of ODB benefits from the Ontario Drug Benefit Act, 1985, will list those drugs that are benefits, along with the amounts that the government will pay for those drugs.

Note, multiple-source drugs will have only one product amount or price listed, regardless of the number of drug products or brands listed, and single source products will have a product amount or a price listed.

"The amount listed will reflect the average unit price for which the drug is available to pharmacies. The schedule will also provide that pharmacies will be reimbursed for actual acquisition costs under specified circumstances. This letter includes some formulary price quotation information with which you may be familiar from previous ODB formularies, plus new material. Please read carefully."

They enclose three forms for existing listings, new and additional listings, and form 3, sales data information. Again:

"These forms must be completed and returned before 4:30 p.m., Monday, December 9, 1985. It should be addressed to: The Ontario Drug Benefit Formulary, January 1986, and be mailed to Kingston, Ontario."

There is an explanation attached as to what the pharmacists and manufacturers are required to produce in these three forms. The first, with respect to existing listings, is quite simply,

"A list of the products listed in the current formulary, January 1985. You are not required to complete form 1, as all necessary information is now required on form 3.

"Form 2, new and additional listings. On this form list a description and DIN for (a) new drugs, and (b) additional strengths and dosage forms of drugs now listed as benefits for which a listing is requested in the next edition of the formulary proposed for January 1986, i.e. listings in addition to those in the January 1985 formulary. For all those products listed on form 2, please include sales data for each package size on form 3." This is by December 9. "Completion of this form provides information only and does not constitute an application for a listing in the formulary. Such application should be made directly to the executive secretary, drug quality and therapeutics committee."

"Form 3, the sales data information." Mr. Speaker, this is very important to the pharmacists and drug manufacturers of the province. "Using your sales data for the most recent consecutive three-month period available since July 1, 1985, and your sales projections for the six-month period commencing January 1, 1986, list all data requested on this form to show the actual and projected average price per unit for all package sizes of each drug product listed on forms 1 and 2. Please specify the three-month period used for

the 1985 data. N.B. Data for this time period is essential in order for the ministry to appropriately take into account 1985 increases in the federal sales tax.

9 p.m.

"For all package sizes enter the price under the direct price to pharmacists per unit column for those products distributed direct to retail pharmacies in Ontario, or enter the price under the indirect price for wholesaler per unit to wholesaler per unit column under those parts distributed through indirect distribution channels to retail pharmacies in the province of Ontario. Please indicate with a single asterisk where the unit price includes 11 per cent sales tax and with a double asterisk where the unit price is subject to 11 per cent federal sales tax to be added at the wholesale level. Please enter in the spaces marked"—whatever—"the percentage of units of each product listed which is sold direct or indirect to retail pharmacies in Ontario."

There is nothing here that guarantees confidentiality of the sales information, that indicates what is going to happen to this information once it is provided, that gives any protection at all to anyone who deals with or provides this information to the Ministry of Health. It is a new requirement, a six-month projection of sales figures for both form 1 and form 2 drugs, a six-month projection of sales broken down into various units.

The industry was told on November 27: "Thank you very much. Have it all available in 12 days or you are not going to be listed." That is the extent of co-operation.

Mr. Stevenson: That is open, consultative government.

Mr. Pope: That is open government.

What has the effect of all this been? What is the effect of the events since November 7? We have all seen it in our constituency offices. One of the primary effects has been that we now have the OPA holding press conferences to outline their concerns with respect to Bill 54 and Bill 55, obviously because they are not satisfied with the state of communication with the minister, the ministry or this government. This is a concern, by the way, that is echoed by a number of other professions in the health care field in this province about a lack of co-operation and consultation in advance of introduction of measures.

There is a press release today, December 5, 1985, which says, "New drug prescription law will increase costs, pharmacists say." That is the title of it. I will not read it all into the record. It is

indicative of how this matter has started to cause a deterioration in the relationship of this government, the OPA, the college and individual pharmacists across the province. It is not just the OPA; it is druggists from one end of the province to the other. Every member of this Legislature has heard from them.

I have a letter here, dated October 14, from 35 Lysanda Avenue, London, Ontario. It is a letter to the Honourable David Peterson from Mr. Rob Campbell. It says:

"The past several months have seen a minister of your government try to change public opinion by using misleading information in his dealings with the press. The Honourable Mr. Elston has tried to tar and feather pharmacists with facts that are being used out of context.

"You will find enclosed a copy of a letter I sent to Mr. Elston that outlines the full story. A minister of any government should never disclose facts to the public that do not outline the full story if the public is to have faith in its government.

"The Ontario drug benefit system needs to be reviewed, as I pointed out in our last meeting. I feel that unilateral action by any government is not good government. If Mr. Elston stopped using pharmacy as a political football, I am sure you could open discussions with the Ontario Pharmacists' Association that would greatly benefit the system and the people of Ontario.

"I look forward to your comments on the issues outlined in my letter to Mr. Elston and why your minister has misled the public.

"Yours truly, Rob Campbell."

Attached to that is a very interesting exchange of opinions with the member for London North (Mr. Van Horne), dated October 12, 1985. I will not quote some of the repetitious allegations about the minister in the letter to the member for London North, which no doubt have been transmitted by the honourable member to the Minister of Health.

It outlines a number of drugs, their specific cost, the payment by consumers and the gross profit margin. He takes issue with the statements that have been made by this minister over a period of time in dealing with this issue.

There is also a rather interesting attachment to it. It is a copy of a letter dated February 11, 1985, to myself. It says:

"Please find attached a copy of the Ontario Pharmacists' Association paper on ODB negotiations. Mr. Steinberg and other pharmacists in London...have expressed their concern over this problem on more than one occasion. The essence

of their concern is fairness. You and your advisers can talk all day long about the Gordon report and government policies, but you have no credibility with me or the pharmacists as long as you talk doubletalk and fail to keep your communication open, honest and fair with everyone. Please let me know your response to the pharmacists."

That scathing a letter addressed to me as Minister of Health was signed by Ron Van Horne, MPP, London North. Do members know what he is saying? He is saying, "communication open, honest and fair with everyone. "The allegation he now makes, that this minister has failed to address this in his dealings with the pharmacists, the OPA and the college. That is the allegation against this minister. His own colleague in cabinet predicted it so accurately on February 11, 1985, that this would be the position of the pharmacists with respect to this government and this Minister of Health.

Mr. Callahan: You did nothing.

Mr. Pope: The member must have missed the earlier part of the discussion. That is selective hearing as usual over there.

Mr. Ward: It is selective reading.

Mr. Pope: Selective reading? The parliamentary assistant has accused me of selective reading, so I will not do that any more. I shall read the entire thing.

The covering letter says:

"Dear Mr. Pope:

"As the Minister of Health in the previous government, you were involved with discussions with the Ontario Pharmacists' Association that resulted in our lobbying campaign of last February. I feel that you have probably been approached by pharmacists recently concerning the actions of the Honourable Murray Elston, so I will not bother outlining the pharmacists' position. I have enclosed copies of letters I have sent to the Honourable David Peterson, the Honourable Murray Elston and the Honourable Ron Van Horne. Also enclosed is a copy of a letter the Honourable Ron Van Horne sent to you when you were minister of health.

"I find this situation very frustrating when a member of the provincial government"—this is the Minister without Portfolio (Mr. Van Horne)—"can change his stance very abruptly by crossing the floor. I look forward to your input."

That is his position. Again, he encloses all the documentation or correspondence with the Minister without Portfolio on October 12, 1985; February 11, 1985, to myself; October 13, directly to the Minister of Health, in which he

reiterates the allegations he makes in the letter to the Premier and to the Minister without Portfolio, and he attaches documents, *Geriatrics and Gerontology*, edited by Peter P. Lamé; *Potential Medication-Related Problems in Noninstitutionalized Elderly*. Those are all the documents attached.

If the member cannot get a copy from his own Minister of Health, who is so open and communicative, I will be glad to send him a copy at any time.

Then we have a letter, dated November 14, 1985. As the minister said in the Legislature 10 days ago, he does not understand all the uproar around the province. It is going to committee; everything is fine; progress is being made; do not worry about it; he will handle the pharmacists. In the meantime, we are all getting letters, such as a letter from the Brant County Pharmacists' Association in Brantford. I know the member from Brant-Oxford-Norfolk (Mr. Nixon) will be very interested in these statements. He is listening intently as I read them into the record.

9:10 p.m.

The Treasurer (Mr. Nixon) remembers the Brant County Pharmacists' Association. They used to be his friends and supporters. They say: "As members of the Brant County Pharmacists' Association, we are appealing to you on our members' behalf. If the Liberal government goes ahead and acts unilaterally, as they have indicated, setting drug prices, eliminating the one-month supply, posting of fees, setting up different fees to different individuals and changing pharmacy practice in general, the result will be devastating to pharmacies financially, to the practice of pharmacy itself and to the public in terms of the services that will be provided.

"Historically, the problem of price spreading, a major concern for the Liberal government, is a problem between the government and the drug manufacturers. Yet most parts of the new legislation is aimed at cutbacks to the pharmacy. Is that fair? Pharmacies have had to be hopeful of successful negotiations, many of which never took place, tolerant of formularies months out of date and unjust compensation of pharmaceutical products. Is that fair?

"Application of subsection 155(c) of the Health Disciplines Act, which was a law introduced by the Conservative government and supposed to be in review ever since, is only now, for apparently political reasons, being enforced. Should we as professionals doing our job be the object of political football? Much of the increased costs to the ODB, the Ontario drug

benefit program, were due to increased usage of the ODB plan by more eligible persons. Yet the pharmacist is faced with the blame and is the victim of the proposed legislation. Is this fair?

"Since 1983, negotiations for a fairer and equitable dispensing fee have been futile. Is there any hope now that all rules are to be changed? Should the rules be changed with no assurances of a new dispensing fee? This is what the Liberal government is proposing. Surely this will save the government money, since without successful negotiations proper remunerations to pharmacists will be thwarted and the government's best interests will be had. Is this just?

"Pharmacy has always wanted a fair fee for its reasonable acquisition costs. Unfortunately, over the years price spreading allowances have taken the place of reasonable dispensing fee increases. This should not have been allowed to happen. That is the government's fault, not pharmacy's. Pharmacy, under protest, has just played by the government's rules. Should we be punished for that? With the proposed legislation, the Ontario Drug Benefit Act and the Prescription Drug Cost Regulation Act, we object to the following proposals, as they adversely affect the practice of pharmacy:

"The elimination of the 34-day supply: this was the cornerstone of the drug benefit program upon which our dispensing fee was based. With this eliminated, pharmacy loses its assurance of proper financial remuneration from our patient population. Imposing this upon pharmacy without a newly negotiated dispensing fee is absolutely unjust. Professionally we are concerned that increased quantities of medications dispensed to individuals will lead to increased waste, increased drug diversion, increased opportunities of poisoning and overdoses. Pharmacists will also lose their opportunity to effectively monitor patient compliance, the ability of the patient to follow the doctor's directions correctly. This is a primary function of a professional pharmacist.

"Second, posting of fees: unless dispensing fees are set the same for all pharmacies, for all patients and for any medication dispensed, this proposal will lead to patients shopping simply for the best price rather than for the best prescription service and care. This will lead to a poorer quality of service from pharmacies, as cost cutting will result.

"At present, for a fair dispensing fee, patients receive their medication. Their medication profile is kept on file and reviewed for errors, drug interactions and for easy access. They receive patient counselling, verbally and written. Deliv-

ery is often offered sometimes free of charge, and the stores often have long hours of operation into the nights and weekends for the public's convenience.

"If competition leads to price cutting, the only service the patient may receive is the medication. If the government really wants to save money and this is the way they want to do it, the fee charged could be a whole lot less if they replaced pharmacists with vending machines.

"Third, tiering of dispensing fees: the legislation proposes to permit different fees for generically substituted medication, name brand medication, patients with ODB coverage and those without. Is this right when the service provided to dispense any of those medications is the same? Not only is this unfair to the consumer, this will be cumbersome and perhaps unmanageable for pharmacists to carry out and the government to enforce and, most definitely, this selection of fees will be confusing to the public. This proposal, along with fee posting, will lead to more time being spent by the pharmacist explaining and justifying this complex fee structure and, as a result, less time will be spent on professional counselling.

Constructively, we suggest the following—"

The Acting Speaker (Mr. Morin): Order. I have given you three minutes and 19 seconds so far to read your text. I suggest you go on with the bill.

Mr. Pope: I intend to show to this Legislature that this issue has virtually every pharmacist in every region of the province concerned and feeling that this government is acting against pharmacists and does not want to listen to them. I am prepared to take as long as it takes to put on the record the fact that these pharmacists have expressed their concerns. This minister has not listened to them. Every single member of the Legislature has been meeting with the pharmacists over the past three weeks because this government will not.

Mr. D. R. Cooke: Throw the member out.

Hon. Ms. Caplan: It is absolute junk.

Mr. Pope: It is, is it? Every pharmacist in the province is wrong and the government is right.

With respect to tiering of dispensing fees, they suggest an alternative for lowering the cost to the taxpayer.

"ODB patients should pay the extra cost of 'no-substitution' prescriptions. This should be considered an extra service. Limits could be made on the selection of medications covered by the ODB plan, especially some nonprescription

items. The introduction of a surcharge would also decrease the overutilization of medication. A \$1 deductible would be quite reasonable. We suggest an amendment to the proposed legislation that a fair dispensing fee be negotiated, to be applicable to all prescriptions and to all pharmacies. Fee posting may be allowed if the above is carried out so that patients can recognize the value of the prescription service in the cost of their medication. The fee should be based on the reasonable supply of medication and that should remain in the pharmacist's control for the public's sake."

I will not read the concluding paragraphs, though I may.

Mr. Stevenson: Let us have it.

Mr. Pope: I will read just one last sentence then.

Mr. Ward: No selective reading here.

Mr. Pope: No selective reading, the parliamentary assistant demanded.

Mr. Ward: That is right.

Mr. Pope: I will read one last sentence: "Please do not allow this legislation to be passed through the House as is. The livelihoods of the pharmacists and their staff are at risk, and the service to the public is at jeopardy." It is signed by Norm Corriveau, Tom Smiley, Dave Glass and Ron Silver, all executive members of the Brant County Pharmacist's Association.

I know the member for Brant-Oxford-Norfolk has been paying careful attention.

It has not just been confined to letters to myself and to the minister, we have had telegrams. A telegram to the Minister of Health on November 14—

Mr. McClellan: I hope it is a singing telegram.

Mr. Pope: The member for Bellwoods would not want that. That is cruel and unusual punishment. That is worse than my speaking.

I will read one sentence. "We request that before you proceed with legislating bills by the January 1, 1986, date that would seriously affect the practice and profession of pharmacy, you negotiate further with the OPA." It is signed Henry's Pharmacy Ltd. from Timmins.

We also had correspondence to the Honourable Murray J. Elston from Janeway Pharmacy Ltd. in Massey, Ontario. It is dated November 15, 1985. This was barely a week after the legislation was introduced. The writer thanks the minister for the copies of the proposed legislation which were just received and then says:

"From the outset, the proposed legislation has merit and goes some considerable way towards resolving long-outstanding issues, particularly the problem of spread-pricing by drug manufacturers. I must point out, however, that legislation such as this has very serious consequences for the drug manufacturing industry, pharmacy, the Ontario College of Pharmacists, doctors, your ministry and, most of all, consumers and taxpayers alike.

"I am frankly mad as hell that you, your ministry and the government would even consider it proper that legislation affecting virtually every person in every part of society in this province should be brought before the House and given passage with a suggested date of implementation less than 60 days hence. It is clear that if your government railroads this bill through the House, without all affected parties and interested groups having had the opportunity to provide input, some questions answered and the opportunity to have changes made, democracy is indeed dead in Ontario.

9:20 p.m.

"You claim that you are concerned that community pharmacy receive a fair dispensing fee under the ODB program; however, there is no indication whatsoever what a fair dispensing fee might be or the standards by which it might be judged.

"Further, there is no provision in the proposed legislation regarding the negotiating process, frequency of adjustment or for the provision of a process for the resolution of disputes arising out of the operation of the program, as is the case with our current agreement with yourself. One has no choice, therefore, but to assume that you have no intention of negotiating but rather intend to proceed arbitrarily as you have done in presenting without consultation this proposed legislation.

"This implicit mandatory participation in the drug benefit program is without question the single greatest alienation of individual rights and freedoms ever perpetrated by a Liberal government. The 'refusal to dispense' clause places an unfair burden upon pharmacists to defend themselves when a decision has been properly made not to dispense a prescription for any number of valid reasons. Clearly, provisions for fines up to \$50,000 without any provision for review or appeal is illegal by any standard.

"Further, the proposed prescription drug act writes into law that the only form of remuneration for pharmacy in the cash marketplace is 'a single dispensing fee.' I have grave doubts as to

the legality, much less the fairness, to either the consumer or the pharmacist of this requirement.

"Indeed, by copy of this letter, I will request the Ontario College of Pharmacists and the Ontario Pharmacists' Association to pursue relief from these above repugnant, unjust and illegal aspects of this legislation in the appropriate courts, should it be passed as written.

"There has never been any great degree of unanimity either amongst pharmacists or the consumers that a single fee for service is necessarily either fair or equitable. Indeed, there is mounting evidence that such a fee is, indeed, unfair to those persons under treatment with relatively inexpensive 'maintenance drugs.' They are improperly being forced to subsidize those persons receiving expensive drugs.

"The point is that these are relatively complex issues and deserve to be treated as such, including due consultation with all interested and concerned parties, certainly not arbitrarily and without any consultation.

"Until these and many other questions left unanswered in the proposed legislation are resolved, there is a very real risk they will create more problems and inequities than are resolved. I have grave doubts that small community pharmacists, typical of rural and northern Ontario, who have historically placed a high level of importance on consultation, education and personal service, will be able to survive, particularly where a disproportionate part of the population are drug benefit recipients, a marketplace where the Minister of Health has historically placed the greatest importance on price alone.

"At the very least, there will be a serious reduction in the level of service to those people who most need service, as well as much patience and understanding. I would, therefore, urge you, and by copy all concerned parties, to delay the passage of this legislation until such time as it has been given the proper study, revision and consultation that it deserves by its very magnitude, to say nothing of the legitimate concerns about the consumer, the taxpayer and the pharmacist."

That is signed by Gail I. Janeway, pharmacist.

Mr. Stevenson: Has the member got anything there from pharmacists in Niagara Falls or Mount Brydges or some of these other places?

Mr. Pope: There must be. There is also correspondence, dated November 18, from H. M. Sparrow of 167 Campbell Avenue in North Bay:

"The writers, Tina and Herb Sparrow, feel that these bills, if passed, would adversely affect the

drug retail services: (a) cause some pharmacists to leave the industry because of the heavy fines that are now proposed; (b) lower the quality of service; (c) cause bankruptcies in the industry; (d) cause unemployment in the industry.

"These pharmacies will be unable to stock vital drugs that are sometimes expensive if they have to sell at cost. The waiting period for payment on these drugs from the province is also an added cost. We respectfully request that you vote to have these bills sent to the standing committee.

"Respectfully submitted, Tina Sparrow and Herb Sparrow of North Bay."

My colleague the member for York Mills (Miss Stephenson) received a number of telegrams from across the province regarding the proposed Ontario Drug Benefit Act, and there are basically two or three different requests in all of them. I will just read their names and summarize what they are asking of the members of this Legislature. I do not want to quote selectively, though; so I am hoping I will not be misunderstood.

Alan Pizel, president of Economy Prescription Services Ltd., indicates that the two acts would seem to violate the pharmacists' constitutional right of free choice, i.e., clause 4(1), and that further serious study and consultation is required.

The same request is made by Gill Rolbein of Downsview: "The proposals affect all aspects of pharmacy. Serious public study required. Bill should not be railroaded through Legislature to meet arbitrary January 1 date," which the minister has now embarked on.

B. Steinberg of Shoppers Drug Mart: "Urgent that bills not be rammed through Legislature but must be placed in committee for further study and input." I am not quoting from the entire telegram.

J. W. Spence, Wishing Well Pharmacy in Scarborough: "Do not push through legislation without further study and input by public and pharmacy."

H. Mazurkiewich of Streetsville: "Proposed changes affect all aspects of pharmacy. Serious public study required."

Charles Nekler, Newmarket Drugs: "Please refer the second reading of the health act to a full House committee, since we as pharmacists and voters find that the proposed act will drastically lower our income."

Wallace Drugstore, R. M. Konopelky and T. A. Calaiezz: "Proposals affect all aspects of drug distribution, retail and manufacturing. Serious public study required. Please consider

further study and input in lieu of railroading legislation through to meet arbitrary January 1 date. We must approach this problem logically, with consideration for the impact and hardships that will ensue. We urge you not to proceed at this time."

A. Jelski: "Pharmacy legislation cannot proceed as written. Major flaws. Massive study and consultation needed. Halt passage of this ill-conceived injustice to all concerned." That is from Richmond Hill.

Mr. Janeway, whose letter I quoted from earlier, also sent a telegram in which he reiterated that community pharmacy could not survive in northern Ontario under these bills.

We also got correspondence from the Village Pharmacy in Petawawa, addressed to all members; therefore, all members got it.

An hon. member: The member should read it.

Mr. Pope: It is a very brief letter:
"I am writing to solicit your support"—

Ms. Fish: The member is not reading selectively, is he?

Mr. Pope: No, I am not reading selectively.

"I am writing to solicit your support and indeed your positive action in stopping the process through the House of two bills introduced by the Minister of Health, namely, the Ontario Drug Benefit Act, 1985, and the Prescription Drug Cost Regulation Act, 1985, and their regulations, until such time as they have been properly studied by a committee of the Legislature to which pharmacists and/or their representatives have had an opportunity for input.

9:30 p.m.

"Although the minister in press conferences and in correspondence to pharmacists has stated his commitment to providing fair compensation for pharmacists, the provisions found in the bills indicate otherwise. The legislation has been rigged to give the minister absolute control over the financial benefits of providing medication to the public, and even goes so far as to prohibit a practising pharmacist from refusing to fill a prescription even when such filling would be to his economic detriment.

"The proposed legislation is extremely regressive and might be expected in Russia under their type of government but surely not in Ontario where there should remain some freedom for pharmacists to earn a reasonable living, reasonable in terms of an expected professional

earnings level and not as compared to the poverty line.

"The remuneration system which has existed is a finely tuned balance of restrictions and latitudes which has been adjusted over the years to provide fair compensation to the pharmacists, fair value to the taxpayer and consumer and enough leeway to enable the pharmacist to be competitive. The new legislation proposes to keep the old restrictions, throw out the compensating devices and permits the minister to set prescription fees without negotiation.

"With this kind of power, the minister could, for political gain, regulate pharmacists right out of any compensation at all. In the current situation vis-à-vis prescription pricing, the minister has shown the extent of his power over the destiny of pharmacists by unilaterally refusing to discuss increasing dispensing fees which have been frozen for two years, by refusing to adjust the cost of drugs payable by the drug benefit program so the pharmacists are now being reimbursed at less than their costs in many instances, and by stonewalling efforts by the Ontario Pharmacists' Association to meet with the ministry in order to conduct meaningful discussions on the subject.

"In fact, the ministry seems to have acted in bad faith on this issue and has adopted a Hitleristic stance, possibly in revenge for the shenanigans of some generic drug companies, a matter over which the community pharmacists have no control.

"As you can see, the subject of prescription pricing has many ramifications and should not be hastily or unilaterally imposed by the Minister of Health, nor should legislation be put in place to allow him to do so. Pharmacists are not in this world to score political points. Rather, we have chosen this profession because of our desire to help our fellow man in one of his areas of need. In return, all we ask is the opportunity to determine our own future within the constraints of today's society, and the right to earn a reasonable living. I therefore appeal to you to do your part to make sure it is not railroaded...." etc.

Signed: "Edwin Chow, community pharmacist; Lorne Wilson, community pharmacist; Raymond Oswald, community pharmacist."

Again, I am just quoting. This is from another letter, dated November 26, from the Family Drug Mart of Kingston, Ontario.

"We urge you to vote against the Ontario Drug Benefit Act and the Prescriptions Drug Cost Regulation Act presently before the house of parliament. These bills are socialistic to an

extreme not before seen in the province of Ontario. They strip away the professional rights of the pharmacists and remove the powers of the Ontario College of Pharmacy to regulate the profession.

"The bills are the result of unilateral action by the Liberal government without any input from the profession of pharmacy. This is especially evident in some of the clauses which make the act unworkable in its present form, i.e., the determination of actual cost, which is not really known until the end of the business year, and in some other clauses which the Ministry of Health itself admits it cannot explain.

"The intent is to control prescription costs under the Ontario drug benefit plan and the result of the legislation will be the very opposite. The net result will be higher costs to the retail pharmacist and a loss of professional image due to the posting of fees and the emphasis on price this will create. The minister himself has admitted that the smaller pharmacists will suffer directly."

I do not know whether the minister admitted that, but he may want to reply to that comment.

"We the pharmacists of Ontario urge you strongly to vote against this piece of legislation. It is poorly written and will provide only a lower quality of overall pharmacy service and more cost escalations."

It is signed by Bruce Wheeler, pharmacist.

On November 28, the Ontario branch of the Canadian Society of Hospital Pharmacists wrote to the minister and set forward its position. This is from Albert E. Chaiet, president:

"The Ontario branch of the Canadian Society of Hospital Pharmacists has recently reviewed draft copies of the proposed Ontario Drug Benefit Act...." etc.

"In reviewing this proposed legislative package, the members of the Ontario branch, a professional association representing over 700 practising hospital pharmacists in the province, have identified a number of serious concerns regarding the manner in which the legislation has been introduced as well as the contents of the legislation itself.

"In terms of the introduction of the legislation, the branch, as one of the participants in the health professions legislation review process that has been in process for the past two years, is extremely concerned about the short time frame associated with the introduction of this legislation, i.e., first reading, November 7, 1985; proposed implementation, January 1, 1986.

"The speed with which this proposed legislation has been introduced is not consistent with the spirit of consultation and consensus that has been the hallmark of the health professions legislation review process. The proposed legislation therefore appears to be proceeding on a separate course from the overall review process, which apparently will culminate in the introduction of new legislation during 1986. The branch feels that any new health-related legislation introduced at this time should only be undertaken within the context of the health legislation review process.

"The proposed legislation raises a serious question regarding the principle of self-regulation. According to the legislation, the minister may appoint inspectors to examine a pharmacy's records and, indeed, remove these records. This provision raises questions regarding the jurisdiction under which"—

Mr. Stevenson: A great speech by a great Canadian.

Mr. Pope: Do not go that far.

"The proposed legislation raises a serious question regarding the principle of self-regulation. According to the legislation, the minister may appoint inspectors to examine a pharmacy's records and, indeed, remove these records. This provision raises questions regarding the jurisdiction under which the profession falls and, indeed, the accountability of the profession, which, under the provision of the Health Disciplines Act, establishes the Ontario College of Pharmacists as a regulating body for the profession.

"The branch strongly feels that any inspection of the pharmacy records should only be carried out under the auspices of the college. The only exception, of course, is the inspection of narcotic and controlled drug documentation, which falls under the jurisdiction of the federal Narcotic Control Act and its regulations.

"It is disturbing to note that the proposed legislation makes absolutely no reference to the term 'pharmacist,' only to 'operator of a pharmacy.' According to the Health Disciplines Act, only a pharmacist or a physician can dispense a prescription. The omission of the pharmacist in this legislation is a serious oversight. It must be emphasized that the role of the pharmacist goes beyond the mechanics of dispensing and prescription pricing. The professional responsibilities of the pharmacist include patient counselling and assessment of the appropriateness of the drugs prescribed as well as patient profiles maintained in the pharmacy.

"No person other than a pharmacist or a physician is legally authorized to carry out these responsibilities under the current provisions of the Health Disciplines Act. The proposed legislation prohibits the 'operator of a pharmacy' from refusing to supply the listed drugs for an eligible person in order to avoid the operation of a provision of the act. A person contravening this section is 'guilty of an offence' and on conviction is liable to a penalty of up to \$10,000, \$50,000 for a corporation.

"It must be emphasized that there are instances where a pharmacist may choose not to fill a prescription for professional reasons, a professional responsibility that must be maintained in the interests of optimal patient safety.

9:40 p.m.

"In a similar vein, the provision requiring the dispensing of the entire quantity of the drug prescribed may not be in the patient's interest. Indeed, there are specific instances where such a practice could be hazardous—for example, prescriptions for narcotics—from both a patient care and poison control perspective.

"These are but some of the concerns raised by the Ontario branch. We have not addressed issues related to the potential financial impact of the proposed legislation on the operation of community pharmacies. We are, however, concerned with the implication for the self-regulatory status of the profession, as well as the potential erosion of the professional responsibility of the pharmacist, undesirable outcomes which would not be in the best interests of the public."

It is signed by the president of the Ontario branch, Canadian Society of Hospital Pharmacists.

From eastern Ontario, we have had correspondence from the Eastcourt Pharmacy in Cornwall addressed to me, and from Watson's Village Pharmacy in Westport addressed to my colleague the member for Leeds (Mr. Runciman).

This is from Cornwall: "I know you have a lot of demands on your time, but please take a moment to read this plea for help. The Honourable Murray Elston, the Minister of Health, has managed to create the impression that the pharmacists of Ontario are solely responsible for the cost increases of the past two years. To correct this problem, he has introduced some of the most creative legislation since the Spanish Inquisition."

The Deputy Speaker: Order. Is the member starting another letter?

Mr. Pope: No. I am just referring to it.

The Deputy Speaker: I remind you it is not in order to read from any document; that is, needless, repetitious reading verbatim from any document.

Mr. Pope: I am entitled to refer to letters that have been sent to members of the Legislature.

The Deputy Speaker: It is one question to refer to letters; it is another to read verbatim from those letters.

Mr. Pope: I was just told by the parliamentary assistant that I should not quote selectively.

Mr. Ward: I take it back.

Mr. Pope: The member takes it back. All right; I will not quote from it directly. I guarantee you, Mr. Speaker, that I will not quote directly from the letter.

It goes on to say in general terms that they feel the statements the minister has been making to the press—can I quote one word? It is unparliamentary to say the word if I say it directly?

The Deputy Speaker: It is not out of order to quote, but it is out of order to read the letter verbatim.

Mr. Pope: This is just one sentence out of one paragraph: "If the ministry carefully selects its examples for the norm, pharmacies should be"—

Mr. Callahan: Mr. Speaker, on a point of order: Section 20(a) of the standing orders says, "If a member on being called to order for an offence against any standing order persists in the offence, the Speaker may direct him to discontinue his speech, and if such member refuses to resume his seat, the Speaker shall name him to the House."

You have done it three times, Mr. Speaker, and he continues to read from the letters ad infinitum.

The Deputy Speaker: Your interpretation of the order is quite correct. However, he has stated he will not read verbatim in the future.

Mr. Callahan: If we catch him reading again, he is out of order.

Mr. Pope: I am glad the member is an expert already. It is great to see.

It goes on to say that if all the minister's facts quoted to the press were true, pharmacy would be the most profitable operation in Ontario. That is from a small independent pharmacist in Cornwall.

Ms. Fish: I did not quite catch that. How did he say that?

Mr. Pope: I cannot read it. I have to give the member my summary of it.

Ms. Fish: Perhaps the member can paraphrase. I did not quite catch that. Perhaps he can try it again.

Mr. Pope: Can I paraphrase?

Mr. Callahan: We have the copy.

Mr. Pope: The member has the copy? Then why did he not read it and talk to his minister about it?

The letter from the Eastcourt Pharmacy in Cornwall goes on to outline a number of specific examples of the quantity prescribed of different drugs.

Ms. Fish: What sorts of examples?

Mr. Pope: All right. The examples were Adalat, Visken, Megace, Calcimar and Nolvadex. The letter goes on to specify the quantity, the ODB permitted price, the actual cost minus the rental factor and the margin. In three out of the five drugs—

Mr. Stevenson: This is just like a Conway speech, is it not? Does the member remember speeches like that?

Mr. Pope: Yes, I remember that. I remember it very well; about a year ago.

Ms. Fish: It rings a bell, does it not? I am sure Mr. Speaker recalls these.

Mr. Pope: It rings a bell. About a year ago at this time.

I will not quote from the letter, but it goes on to say that in three out of the five drugs on this list, which I presume the minister has looked at, which are listed on the Ontario drug benefit plan, the pharmacist loses money. In three out of the five there is a negative margin.

If the minister disagrees with those numbers, I presume he has probably communicated with this pharmacy in Cornwall and told the people their numbers are incorrect. If he agrees with the numbers, I presume he is going to do something and not ram legislation through the House without any discussion of these issues with the small pharmacists from one end of the province to the other.

The same thing applies with respect to Watson's Village Pharmacy in Westport. I will not read from the letter, but to paraphrase, it says that the Minister of Health does not listen to or talk with the Ontario Pharmacists' Association. He acts unilaterally and calls the media when he has something to say. He communicates through the media.

Mr. Callahan: He is reading it.

Mr. Pope: I am not reading it. The pharmacist also indicates that there has been no adjustment of the \$5 dispensing fee since 1983.

Mr. Cousens: On a point of order, Mr. Speaker: If the honourable member is not being allowed to take quotations verbatim from certain correspondence and important documents, that is a new ruling this chair has made. I object to that, and on this point of order I would say that this member should be allowed to make such references verbatim.

Mr. Harris: On the same point of order, Mr. Speaker: Can you indicate to this Legislature what the new ruling is that precludes a member from quoting from material he feels is pertinent to his speech? Can you tell us that?

The Deputy Speaker: There is no new ruling. I said the member can use quotations, but he cannot read unnecessarily verbatim. What he has been doing is reading an entire letter verbatim.

Mr. Harris: On the point of order, Mr. Speaker: I assume you are referring to page 4 of the standing orders and rule 19(d)4, "in the opinion of the Speaker, refers at length to debates of the current session, or reads unnecessarily from verbatim reports of the legislative debates or any other document."

I remind you that in calling a speaker to order on that you are determining that the speaker is unnecessarily referring to documents. You might want to be very careful in your ruling about whether it is necessary to the speech to refer to some of the documents the member for Cochrane South has been referring to in the debate tonight.

Most of the documents I have heard the member referring to are documents the minister either will not read, refuses to listen to or refuses to allow access to. It is necessary when we are dealing with legislation such as this that these items get on the record and are there for the public to see. The pharmacists and the public are telling us they have no other vehicle to get them there, so I ask you to consider that.

Mr. Callahan: Why does he not table them?

9:50 p.m.

The Deputy Speaker: Order. In answer to the House leader of the official opposition, in my opinion it is not necessary to read the whole document to carry out his part in the debate and to bring the attention of the minister to the matter set forth in the letters and to the letters themselves.

Mr. Harris: On the same point of order, Mr. Speaker: I can understand if you feel that a particular document, after it is quoted at some length, may not be there. But are you telling me you are ruling that it is not necessary to read from any document any time now or in the future?

The Deputy Speaker: No. Under these circumstances in this debate tonight, that is my ruling.

Ms. Fish: On a point of order, Mr. Speaker: Are you saying you will determine which items of correspondence are to be entered into the debate and appropriately referred to by the member?

Mr. Lupusella: On a point of order, Mr. Speaker: With the greatest respect, the House leader of the Conservative Party spoke on behalf of all of his members in relation to this particular issue, and I think that recognizing other people from the same party addressing the same point that has been raised is a waste of the precious time of this Legislature.

Mr. Pope: I want to get on with wrapping up this presentation.

Le député de Cochrane Nord (M. Fontaine) a indiqué que c'était une perte du temps de tous les membres de l'Assemblée législative de l'Ontario de lire toutes ces lettres de tous les pharmaciens de la province, pharmaciens qui ont indiqué leurs problèmes—

The Deputy Speaker: Order. The member for Brampton with a point of order.

Mr. Callahan: On a point of order, Mr. Speaker: "A member called to order shall sit down, but may afterwards explain. The House, if appealed to, shall decide on the case, but without debate. If there be no appeal, the decision of the Speaker shall be final."

Your decision is final on the issue of the question of whether he can refer to letters, and unless it is appealed—

The Deputy Speaker: No. I did not say at any point that he could not refer to letters or use excerpts, but he cannot read entire letters verbatim.

M. Pope: C'est très important pour tous ces professionnels en Ontario d'avoir l'occasion de discuter de ces choses devant les membres de l'Assemblée. Il faut que chaque pharmacie, dans chaque comté de l'Ontario, ait l'occasion de le faire. C'est pour cette raison que j'ai décidé de lire quelques-uns de ces documents aux membres de la Législature. C'est très important pour l'avenir de ces pharmacies-là.

For the honourable member from Magna Carta to say it is a filibuster when we are dealing with important concerns of the pharmacists and the consumers across this province is something I cannot accept. These are issues that people have been writing to us about, that members in that

party have from time to time in this Legislature, over a number of years, read into the record.

Now he says it is not important enough, that the Ontario branch of the Canadian Society of Hospital Pharmacists is not important enough to be heard by this assembly; that Family Drug Mart in Kingston is not important enough to be heard by the members of this Legislature; that the Village Pharmacy Petawawa Ltd. is not important enough to be heard by this assembly; that Janeway Pharmacy Ltd. in Massey is not important enough; that Mr. Jelski in Richmond Hill is not important enough; that Wallace John Drug Store Ltd. in Cochrane is not important enough; that Newmarket Drugs is not important enough to be heard from by the members of this Legislature; that the druggist Mazurkiewich in Streetsville is not important enough; that the Wishing Well Pharmacy is not important enough; that Shopper's Drug Mart is not important enough to be heard; that Mr. Rolbein in Downsview is not important enough to be heard from; that Economy Prescription Services Ltd. is not important enough to be heard from; that the Sparrows from North Bay are not important enough to be heard from, and most important, that Henry's Pharmacy in Timmins is not important enough.

They all are important.

Mr. Callahan: Where are the letters from the consumers?

Mr. Pope: We are going to get to that. Do not worry. I will get to that. If you challenge me to get to that I will. Do not worry.

Mr. Callahan: Right at the bottom. The big interests first, and then down at the bottom are the little guys.

Mr. McFadden: In the fullness of time.

Mr. Jackson: Be patient. No doors, no walls, just open government.

The Deputy Speaker: Order.

An hon. member: We are going to be spending more time on the consumer, do not worry. Far more than we have spent so far.

Mr. Pope: Mr. Worrall, of Eastcourt Pharmacy, indicated the pharmacist's problems with respect to the Ontario drug benefit plan. He indicated that he is losing money on a number of these drug items, given the current formulary process. He indicated that. He has had no reply from this government. He has no reply from the Minister of Health.

The parliamentary assistant, who so wants to travel around different parts of the province, has not even been to see him in his Eastcourt

Pharmacy in Cornwall. He should go to the Eastcourt Pharmacy in Cornwall, talk to them, see what their concerns are. If he does not believe their numbers, he should go and check it out himself. He is going to have inspectors do it this time next year, anyway. He should go and do it himself and talk to the pharmacists. This independent pharmacist who is facing some financial hardship—he should go and talk to him. Maybe he will change his mind on a few things.

Mr. Stevenson: What about Kingsville? Are the pharmacists happy in Kingsville?

Mr. Pope: Watson's Village Pharmacy in Westport contacted my colleague, the member for Leeds, with respect to their concerns. They asked that there be realistic pricing under the Ontario drug benefit plan. They also indicate their concern over the lifting of the fee per month on maintenance drugs.

Mr. Callahan: That is right. Realistic prices, that is the whole thing.

Mr. Pope: Does the member want the prices? Okay, I will read them into the record.

Ms. Fish: Mr. Speaker, on a point of order: Is he permitted to read that into the record?

Mr. Pope: Can I read that into the record?

Ms. Fish: Is the speaker permitted to read such things as prices from correspondence into the record? Is he permitted to make a selective, possibly out-of-context, reading?

The Deputy Speaker: Certainly he is.

Ms. Fish: Is the Speaker then saying, further on the point of order, that it is permissible for a member to read excerpts out of context into the record of the assembly?

The Deputy Speaker: Out of context would depend upon the interpretation.

Ms. Fish: Does the Speaker then agree that the context is best understood when the whole of the matter is read into the record so we can be assured that nothing will be put in improperly out of context?

The Deputy Speaker: The member can refer to documents as part of his speech, but not read entire documents verbatim and lengthy excerpts from documents.

Ms. Fish: But surely, Mr. Speaker, you would not want to have those excerpts out of context. You would surely encourage all members to read sufficiently to have the full context on the record.

Mr. Callahan: On a point of order, Mr. Speaker: There is not to be debate on your decision. That is exactly what this member is

doing. She is debating it. She is out of order, with the greatest of respect.

The Deputy Speaker: She did not have a valid point of order.

Mr. Pope: Thank you, Mr. Speaker, it was the prices that the member wanted read into the record, as I understood the comment.

Ms. Fish: Mr. Speaker thinks it is appropriate to read them in.

Mr. Pope: Can I get a copy of the formulary. I will read the whole thing in.

I will read the formulary into the record for the member if that will make her happier.

Ms. Fish: Just so we could compare that on the prices.

Mr. Pope: Okay, we will just go back to Eastcourt Pharmacy. We will just read five into the record. I do not want to delay proceedings.

Ms. Fish: The member must be sure it is in context.

Mr. Pope: These were the five that I named earlier. I gave the final one, but I now want to go through the detail because the member for Brampton (Mr. Callahan) is not convinced.

The margin on the first item is \$3.20. The margin on the second item is \$2.38.

Hon. Mr. Kerrio: He did not do it. He cheated somehow. He had notes somewhere.

Mr. Pope: What does he mean, "cheated"?

The Deputy Speaker: Order.

10 p.m.

Mr. Pope: The second item was \$2.38 margin. The third item was a \$7.73 loss as a margin on this drug. The fourth one was a \$4.01 loss on that item and the fifth item, Nolvadex, was a \$3.36 loss under the existing plan.

Nolvadex is also referred to in a letter to my colleague the member for Simcoe East (Mr. McLean), otherwise known as Coldwater. That letter is from Larry Wilson, a new pharmacist, who has just opened a pharmacy in Washago in the new Lions Medical Centre. I will read one sentence and I will not read it out of context.

Hon. Mr. Kerrio: Go ahead and read it.

Mr. Pope: Okay. "The publicity and misinformation appearing in the *Globe and Mail* concerning pharmacy is of great concern to me. The new Liberal government's handling of pharmacy fee negotiations is also worrisome."

I will not read the rest of it, but it goes on on page 3 to say the following: "Here is one example. Drugs are sold on a basis of cost plus fees. On Nolvadex, the 10-milligram cost to me

is \$1.45 per tab for 60-tab size, which is \$87. The Ontario drug benefit plan pays \$1.342 per tab for \$80.52 and a dispensing fee of \$5, which is \$85.52."

Even adding in the dispensing fee, this druggist loses \$1.48 on every prescription for 60 tabs of 10-milligram Nolvadex that he fills out as a pharmacist in this province. He raises the very important point that he is stocking \$87 worth of these drugs in his store at his cost.

Mr. Callahan: Is he operating out of a truck? He is selling peanuts, razors, cigarettes.

The Deputy Speaker: Order.

Mr. Pope: I hope the member is not on the Liberal team that is going to sit down with the pharmacists to discuss this matter.

He also talks about his problems with respect to Feldene, 20-milligram size, and his loss of \$29.99 with respect to that prescription. Again, I presume the Minister of Health is answering his concerns.

My colleague the member for Northumberland (Mr. Sheppard) received a letter from a pharmacist in Cobourg, Catherine Barrett-White, who indicates her concern.

Hon. Mr. Kerrio: What does it say? Read it.

Mr. Pope: I will read just a couple of sentences. "The number of persons covered by the program increases each year, as does the number of drugs included as benefits under the program. Special authorizations, which may be granted by the Ministry of Health at the request of a physician, permit payment for drugs that would not normally be covered under the Ontario drug benefit formulary. The number of special authorizations is also on the increase. The Ontario drug benefit program could reduce expenditures by altering the formulary to eliminate drugs that do not normally require a prescription and by being more selective about special authorizations."

This pharmacist has raised a new issue for the attention of the Minister of Health, again without response.

The letter goes on to say: "I would like to state my objection to the proposal that Ontario drug benefit recipients be supplied with a three-month supply of medication rather than the one-month supply that they now normally receive. Many patients become confused with the medications. They may take more or less than the recommended dose.

"It is also quite possible that the dose may be changed in a three-month period. Compliance will be more difficult to monitor. This problem

would be most intense where drugs of abuse are prescribed. It would also be a problem when potentially suicidal patients were prescribed antidepressants. One month's supply could be lethal if taken at once; three months' supply is a greater lethality. The risk of accidental poisoning may also be increased.

"Thank you for your assistance in the past and for your consideration in this matter once again."

That was to my colleague the member for Northumberland. My colleague the member for Burlington South (Mr. Jackson) has indicated his concern. He has been contacted by several pharmacists in his constituency. He indicated that he wanted to ensure there was some consultation and negotiation with the Ontario Pharmacists' Association, and that view is expressed by the three pharmacists who have written to him.

Mr. Jackson: That is 43 now. It is rising every day.

Mr. Pope: Then there is a letter from W. G. Walker, president of B and B Pharmacies Ltd. I will quote just the first sentence: "This letter is in response to the unprecedented and unjustified attack on pharmacy, which is being led by the Honourable Murray Elston. I would like to point out the following."

Then he talks about the traditional use of the price spread by government and pharmacy as part of reimbursement in conjunction with the dispensing fee. He challenges the minister's estimate of "a windfall of \$6,000 per pharmacy per annum through price spreading." He says, "This represents a very small purchasing advantage of approximately two per cent, based on average prescription inventory purchases of \$300,000 per annum.

"The average pharmacist earns approximately \$32,000 per annum under very unattractive working conditions," such as shift work, weekends and holidays. This pharmacist has "personally invested \$60,000 for a computer system primarily to handle ODB billing and rebilling" and has never been reimbursed for that. In fact, his "cash-paying customers have always paid a higher market fee to subsidize ODB patients."

As a result of legislation, this pharmacist claims he will have to restrict his staff to 10, restrict consultation time and cut back the free delivery service he is now providing. He indicates he has been providing prescription and related services in a cost-effective manner. He goes on:

"Our impulsive and short-sighted minister has drastically changed my objectives with respect to

pharmacy as well as my respect for the Liberal Party. Although I will be reducing staff and service, I will not be run out of business. The upcoming legislation will force me to redirect my efforts from service to financial survival. I will work within the system, but not for its betterment.

"With respect to the legislation re fee posting ...how can a dispensary with 95 per cent of its revenue derived from prescription-related products maintain present services in competition with a discount drug mart with 95 per cent of revenue from nonprescription-related products?"

My friend the member for Brampton failed to recognize the differences between those two types of pharmacists in his ill-informed comments of a few minutes ago.

"Obviously, the drug marts owned by large corporations will offer loss-leader prescription services to increase front-shop traffic. Discounting prescriptions and related services are not in the public's best health interests. But then neither is the Honourable Murray Elston. The sudden and thoughtless action of Mr. Elston will not only hurt pharmacy but all those served by pharmacy."

Here is another letter. I will just indicate that four pharmacists—Asif Kahn of Straders Drug Mart, Harold Dike of Straders Drug Mart, Dipika Patel of Huntingdale Drug Mart and Elizabeth Chau of Peoples Drug Mart—all feel the relationship between the minister and the Ontario College of Pharmacists, this whole issue, has got out of proportion. They feel the matter should be negotiated again and serious public study should be carried out before any further decisions are made.

The pharmacist from Peters Drugs (1982) Ltd. in Kingston indicates his concerns over the attack on the retail pharmacists who are not responsible for the Ontario drug benefit plan.

10:10 p.m.

There is a letter from Matthews Pharmacy, Pine Plaza, Timmins:

"We are writing in response to the introduction in the Legislature of the Ontario Drug Benefit Act, 1985, and the Prescription Drug Cost Regulation Act, 1985.

"We are hoping you may have some influence in stopping or delaying passage of the two ill-conceived acts. If they are examined closely, they will benefit no one...it will only encourage long and very costly legal battles in the courts between the Ministry of Health and the Ontario Pharmacists' Association. It will also mean the closure of numerous smaller pharmacies in the

province with a large proportion of them coming from your very own riding of Cochrane South."

It is signed by Gordon Matthews, secretary-treasurer of Porcupine Pharmacists' Association."

Also, John Worrall from Avonmore indicated to the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) that he communicated with the Minister of Health and indicated his concern about increasing costs of pharmacy operations, including increasing municipal and government taxes and the need for some consideration by this Minister of Health.

He outlined a list of 14 different products, which I will not list, and indicated a loss in each of them, ranging from three cents to \$11.22 for prescriptions dispensed under the Ontario drug benefit plan. This is a letter to the Minister of Health. Since this letter was sent on September 7, I presume the minister has responded to that pharmacist.

All these people, and many more who are pharmacists across the province, have been talking to all members of this Legislature about their concerns. They have been writing to the minister all fall and expressing universally their opposition to the way in which this minister has handled the introduction of legislation. They are expressing universal opposition to the fact that he is proceeding unilaterally with respect to the legislation and the regulations and has yet to sit down and negotiate.

The pharmacists, the Ontario Pharmacists' Association and the Ontario College of Pharmacists have been asked on virtually no notice to develop comprehensive responses to the minister. They have been asked to analyse within 10 days their concerns with respect to this legislation, not having had notice of it before its introduction on November 7. They have had no opportunity to sit down and negotiate meaningfully with the officials of this ministry or with the minister directly.

They have been frustrated in their attempts to talk to the Premier (Mr. Peterson). They cannot get anywhere with him. They see all this lack of co-operation and consultation in a government that promised them in the summer of 1985 that it would be a new, open government and that the sun would shine into the corridors of power in Queen's Park. Since that time we have seen the failure of co-operation and the failure of consultation.

We have seen confrontation spread from the Ontario Medical Association to the OPA, to the college, to individual pharmacists and to doctors'

organizations. We have all seen the concerns of the Ontario Dental Association with respect to the proposals for denticare.

We have seen the concerns of the nursing home operators. We have seen all this confrontation over the fall months with a government that said there would be a new era of consultation and co-operation. It has not happened, particularly with respect to this Minister of Health.

That is why the Ontario Pharmacists' Association is reduced to issuing press releases to indicate its opposition to the principles of the bill and its genuine concern about service to the public, to the people who qualify for the Ontario drug benefit plan, to the senior citizens and to those who are welfare recipients, and to indicate its concerns about the quality of the plan of the pharmaceutical services to be provided to them across this province.

They have been reduced to going to the media and fighting the minister in the media because that is their only avenue left. That is not appropriate. That was not the way to introduce this legislation, never mind sliding through committee and indicating there had been all sorts of consultations on all sorts of issues found in the bill.

Finally, we got the minister to acknowledge on November 27 that he had met with the OPA with respect to both pieces of legislation on the day they were announced. That was not negotiation. That was not what he tried to say to the members of the committee when the estimates originally started. The member for Lanark (Mr. Wiseman) indicated on the record what he thought about the statements of so-called fact that were made at the beginning of the estimates of the Ministry of Health about the consultations.

All sorts of people across this province—not just those who are operating individual pharmacies, but drug manufacturers of generic drug products, innovators and inventors—have indicated their concern to this minister, seemingly without results. They have indicated their concerns to individual members on the government side, but it has had no impact. They have seen all of these problems. That fits in with the entire attitude of confrontation or lack of consultation that has taken place since this minister became Minister of Health. There are all sorts of issues.

On September 3, 1985, the Minister of Health in a press release said, "For the past several weeks, representatives of my ministry have been meeting with the Ontario pharmacists and drug manufacturers in an effort to resolve certain drug pricing practices in this province." The response

of the Ontario Pharmacists' Association was that there was only one meeting, on August 14, 1985, between the OPA and ministry negotiators since the Liberal government took office on June 26, 1985, although the OPA constantly requested other meetings.

The statement made on September 23 said, "For the past several weeks, representatives have been meeting with the OPA." The reality is that there was one meeting on August 14. That is the kind of thing that turns sour the whole negotiation and consultation process, the attitude of co-operation that is needed to make the ODB plan work. Those are the kinds of statements that are made by this minister in press releases, which everyone challenges with respect to what actually happened. I will put it that way.

The same press release stated, "Ministry officials will be instructed to meet with pharmacy representatives immediately to negotiate with them an equitable dispensing fee." That is on September 3. Where is the equitable dispensing fee? We are now told it is not going to be negotiated. I just read into the record all sorts of comments from pharmacists across this province—not verbatim, but the substance of them. They say there has been no negotiation of an adequate dispensing fee, in spite of the statement on September 3, 1985. There has been no progress on that.

Here is what the OPA says: "The OPA was contacted by telephone on September 6"—that was three days after this press release—"by the ministry to indicate it was ready to meet with the OPA. Before a meeting could be arranged, the minister made another announcement on September 12, 1985, and cancelled his instructions for negotiating meetings to be held." Now we know what really happened. The minister cancelled the negotiations on the dispensing fees.

Why did he do it? Because of the court challenge by a producer. That is his justification. In the meantime, he did not seize the opportunity during the fall to start negotiations on a proper dispensing fee that would entirely change the atmosphere surrounding this bill and the administration of the Ontario drug benefit plan.

On September 13, 1985, the OPA placed a call to the ministry to ascertain the minister's comments on September 12, 1985. In fact, that meant no negotiations could take place. The ministry confirmed that this would be a fact. There would be no negotiations on dispensing fees while the court case was taking place. There is some linkage that is obscure to everybody in this province except for the Minister of Health.

On September 17, 1985, in his letter to the pharmacists, the minister said: "We are unable to publish a new formulary. Neither will we be able to negotiate a new dispensing fee." The OPA has repeatedly indicated to this minister that it cannot understand why a dispensing fee cannot be negotiated, even though there is a court challenge going on with respect to the formulary, but again without success.

10:20 p.m.

A meeting was finally arranged for October 10, but that call to have a meeting on October 10 was made on October 7. That happened to have been after the minister told the *Globe and Mail* that his assistant had asked the OPA to say what it considered a fair fee to be, but he had not heard back. They are claiming that on October 6 they asked the OPA to say what it considered to be a fair fee. The next day, to justify the story in the *Globe and Mail*, they called the OPA and asked if they would meet on October 10. There were no meetings before then. The minister cancelled the meeting.

What is going on? Negotiations through the media. There is no direct contact. The only contact that has been made is to justify the minister's statements in the *Globe and Mail*. That has been the kind of negotiations carried on by this government. It is shocking.

The same *Globe and Mail* article on October 6 says: "We are looking at perhaps a two-tier fee structure that would allow small-volume pharmacies to have more flexibility. Now the ones who make the most money are the high-volume pharmacists."

The OPA's response: "The minister has stated to OPA that he does not want to negotiate in the press, nor does he want to see the OPA do this." Yet the minister makes these statements, taking a negotiating position in the *Globe and Mail* on October 6, 1985. That is the state of negotiations: through the *Globe and Mail*. He should have invited all the reporters; they could have negotiated on both sides of the issue. A hall could have been hired.

Hon. Mr. Nixon: More.

Mr. Pope: There is more, lots more. I am very happy to accommodate my friend.

Ms. Fish: Accommodate the member for Brant-Oxford-Norfolk.

Mr. Pope: Yes. He did not want to listen to the Brant County Pharmacists' Association letter that was read into the record. He distinctly did not listen to it. That is terrible.

In a *Globe and Mail* article of September 5, 1985, the minister said, "Drug prices and the dispensing fee are separate issues."

The response from the OPA, again to an article in the *Globe and Mail* and not to direct negotiations:

"Drug costs and fees cannot be dealt with as separate issues unless and until drug costs, his actual acquisition costs and dispensing fee are adjusted to take into account all elements of remuneration due a pharmacy. The government has never been prepared to go to these concepts and has always recognized purchasing advantage as a legitimate element of remuneration due a pharmacy. OPA remains willing to negotiate actual acquisition costs and a reasonable dispensing fee incorporating all elements of remuneration, but it has been unsuccessful in getting the ministry to do so."

From the minister's press release—a press release again; he is negotiating through the press—of August 15, 1985: "The prices of many multiple-source drugs listed in the formulary were higher, in some cases much higher, than the prices at which drug manufacturers were actually selling to pharmacies."

I will not read the entire response into the record, but again the minister is negotiating with the OPA directly through the press. That has been his stance all along on these issues. It has not worked.

Mr. Davis: Confrontational politics.

Mr. Pope: Confrontational politics; the member is right. The minister is negotiating through the *Globe and Mail* and through press statements. It goes on and on all through the fall. The consequence is that the minister has forced the Ontario Pharmacists' Association to get involved in press releases and press conferences. Pretty soon the whole thing is going to escalate.

Is that the logical result the government wants, escalating confrontation through the media and no direct negotiation? If it does not want it, why did it allow the minister to proceed along this course from the very beginning on these issues?

Everyone knows there have to be some changes in the Ontario drug benefit plan. Everyone knows that the issues that concerned the Conservative government and led us to appoint the Gordon commission have to be addressed; but they have to be addressed in the way they have traditionally been addressed, through negotiation, consultation and co-operation. We have seen the consequences of not doing it that way.

I do not want to quote selectively. I do not want to read everything into the record—

Hon. Mr. Kerrio: Go ahead and read; we're listening.

Mr. Pope: The government has an 18-page brief from the Ontario Pharmacists' Association that I did not refer to. I did not read it into the record. It details the specific problems found in Bill 54 and Bill 55. The problems of Bill 54 and Bill 55 have been issued to the media and to every member of this assembly. The member for Northumberland has received the mail, as has every other member on this side of the House.

I suspect everyone on the other side of the House also has received this mail. When they were in opposition, the members on the other side were ready to introduce all this documentation and read extensively from it into the record so their constituents' views could be put on the record, but now they will not stand in their places and quote from that same correspondence so their constituents' concerns can be addressed by this assembly.

No, they will not do it any more as they did when they were over here. Instead, they are going to proceed with legislation, knowing, if they review their own constituency files, the concerns that have been created across this province by this legislation, not only in terms of the process but also in terms of the principles of the legislation and its detailed wording.

Having addressed the process, I now want to get into the contents of the legislation itself.

Hon. Mr. Kerrio: Clause by clause.

Mr. Pope: No, not clause by clause. I am just addressing the principles of the bill; I am afraid I am not going to be able to address them all tonight, but I shall do my best just to indicate—

Interjection.

Mr. Pope: I shall be able to continue tomorrow, I know, but I just want to indicate—

Mr. Callahan: Did Bill write your speech? He wrote all the letters.

Mr. Pope: Who wrote all the letters? The honourable member is saying that Henry's Pharmacy in Timmins, which sent a telegram to the Minister of Health and this member, did not compose its own telegram. He is saying that Henry Giallonardo does not have the capacity to speak for himself. He is saying that to a respected pharmacist who has provided service to the people of our community for the past 40 years, and he is saying this respected pharmacist in our community does not have the ability to speak for himself. He is saying that Matthews Pharmacy in

Timmins and all these other pharmacists from one end of the province to the other do not have the ability to speak for themselves.

I have read into the record—not quoting—the essence of these letters, and there are different concerns in different parts of the province. Pharmacists are writing at the same time expressing different concerns over the way this Minister of Health has handled his relationships with the pharmacists of Ontario, the Ontario Pharmacists' Association and the Ontario College of Pharmacists, indicating in very great detail their concerns with respect to the principles of the bill and the impact of this bill on their operations in communities from Cornwall right through to Windsor and from Niagara Falls right through to Moosonee.

In every part of this province, pharmacists are concerned and consumers are concerned. I am going to get into that as well. Consumers are concerned about the potential impact of these two pieces of legislation and the effect of increasing drug prices across the province in terms of increasing the costs of the system to the taxpayers of Ontario. They have all taken the time to write to members opposite, and to us as the official opposition, to ask us clearly for full and extensive consultation and to think hard before we adopt Bill 54 and Bill 55 because of the problems they create for them in carrying out their professional responsibilities.

All these demands I referred to tonight obviously have not moved the member for Brampton one bit. He does not believe they even wrote them themselves. He does not believe they have any right in this province to express their concerns. He says that what they really do is dispense peanuts and chocolates. He did not listen to the documentation I was reading out. I read it out because I knew he would not listen. I want him to reflect upon the words that are in the transcript of Hansard tonight and upon the genuine concerns of pharmacists from across this province.

I want him to reflect upon all those things, and I want him to talk to the Minister of Health, because he obviously has not done it before, and to express on behalf of the pharmacists in his riding and on behalf of the Ontario drug benefit plan recipients in his riding, his genuine concern about the consequences of these two pieces of legislation.

On motion by Mr. Pope, the debate was adjourned.

10:30 p.m.

TRANSPORTATION PROGRAMS

Mr. Speaker: Pursuant to standing order 28, the question that this House do now adjourn is deemed to have been made.

The member for Rainy River (Mr. Pierce) has given notice of his dissatisfaction with the answer to his question given by the Minister of Northern Development and Mines (Mr. Fontaine) concerning air transportation in northern Ontario. The member has up to five minutes, and the minister has up to five minutes to respond.

Mr. Pierce: I rise in regard to standing order 28(a) to express my dissatisfaction with the answer I received from the Minister of Northern Development and Mines earlier today in question period.

My question to the minister was clear and specific. I asked about the report of the previous member for Lake Nipigon, a respected member of this House and the former Speaker, Jack Stokes, and his task force, examining the utilization of a second Dash-8 aircraft for norOntair, this aircraft to be used exclusively in the northwest.

This is not a frivolous question. Transportation, especially air transportation, is very important to the northwest. Isolation is a serious problem in the communities of the area. With the Speaker's indulgence, let me refer to comments from the town of Dryden, a community of about 6,500 and a service area of approximately 20,000.

Representation made to the Stokes task force in Dryden emphasized that as far as that community is concerned, air transportation is a necessity, not a luxury. Dryden is deeply concerned about this issue. The community believes additional Dash-8 service is necessary. The tourist industry in the area has not been well served, and norOntair has a responsibility to develop an air system to satisfy this need.

If the Dash-8 service is to be introduced, it must be introduced wisely. Introduction of the Dash-8 could jeopardize existing air service provided by the private carriers. In Dryden's case, therefore, the question of the Dash-8 service is an essential one. Additional Dash-8 service could strengthen the local economy or, if introduced unwisely, damage existing transportation services and return air service to this community to the level that existed prior to 1972. No one would like to see that happen. All members, certainly on this side of the House, are committed to seeing northern communities given every support and incentive to develop services

in the north that are equal to those available in the south.

Dryden's concerns about additional Dash-8 service are shared by other northern communities. My riding, the great riding of Rainy River, and two communities, Fort Frances and Atikokan, have come to a consensus with the town of Kenora on the need for an additional Dash-8 service. Those three communities see Dash-8 service connecting Thunder Bay, Atikokan, Fort Frances, Kenora and Winnipeg and return twice daily, seven days a week. That kind of service would allow the luxury of one-day return trips to major centres to become possible. That kind of service would be a great boost, not just for tourism but for all businesses and commerce.

I am sure the minister is aware that the tourist operators in northern Ontario spend a lot of money and most of their winters attending sports shows in the United States to promote tourism in northern Ontario. Part of recommendation 2(a) of the task force was based on the service of the Dash-8 to interconnect with US flights, allowing the American visitor better access to northern Ontario tourist facilities.

The Stokes task force recommends that norOntair service be strengthened so that its mandate to reduce isolation, to improve on the service provided by private carriers and to encourage industrial and commercial development be continued. The task force recommends that norOntair get in contact with private carriers such as Republic Airlines and Nordair to ensure that schedules of flights work to benefit business travellers and tourists throughout the northwest.

The setting of schedules is a key concern, as I pointed out with the example of Dryden. A poorly set schedule could turn the clock back a decade as far as air service in the north is concerned.

That is why northern communities are anxious to know what the provincial government will do in response to this report. These communities want the time to study the government's reaction in depth. They want to have time to respond to Queen's Park and to make suggestions based on local needs and experience. They want to make sure their communities, their businesses and their industries are ready to take advantage of the expanded Dash-8 service.

That is why I asked my question in the House today. The northwest deserves to know what the government intends to do in response to the task force recommendation. It deserves an honest answer, not a one-word answer or even a one-sentence answer. It wants to know the facts

and not to hear a jumble of rhetoric and innuendo.

Our system runs on the accountability of government in the Legislature, on question period being an open and honest forum for—

Mr. Speaker: The member's time has expired.

Hon. Mr. Fontaine: First of all, I want to remind the member for Rainy River that I can read too. I read this report a few months ago. I do not have to take anything from him, because I will decide in due course when there will be a service. I want to remind him too that I come from northern Ontario, and I know what it is not to have any airplanes, because I just got our norOntair service a week or two weeks ago in Hearst.

The member asked me today, "Is the minister ready to tell the people of northern Ontario that he is prepared to accept the recommendations of the task force and the ONTC so the people can gear up their operations?" I said no. Ma réponse est non, je ne suis pas préparé à ce temps-ci à le faire. I am not prepared to say that at this time. Then, in response to the member for Lake Nipigon (Mr. Pouliot), I gave the reason why we will not do it at this time.

I will be making a report to the cabinet first. I do not have to report over here. My first task is to try to get a schedule on line, and I will report to cabinet at that time. Then I will be back here in the House.

First of all, I want to remind my honourable friend that we are committed to the future operation of norOntair in a fiscally responsible manner. This was a major part of our government's task force. Concerning the Stokes report, which the member said we had not read: I read it, and we will be back. It is only one input, and I have to get other input from other people, because it was only a few months ago, or a month at least, that the decision was made to purchase Dash-8s.

More specifically, the private sector involvement has increased in that area. They are providing more service with faster, more comfortable aircraft. My staff are receiving options that will balance the needs of northern Ontario residents against the costs of providing a service and the desires of the private sector. I expect my staff to report these findings to me in the near future. After that, I will discuss my position with my cabinet colleagues. That is my first duty.

Concerning the rumours from my friend the member for Kenora (Mr. Bernier), who got his rumours from his friend who sits on the board of

the Ontario Northland Transportation Commission, I can assure him the Dash-8 will not be flying in Nova Scotia. I can assure him this is only a rumour from his friend who is sitting on the ONTC. I can assure him it is not our intention to do so. I do not know where he got this. I know it was discussed at the ONTC meeting last week, and his friend was there. He is the one who told the member for Kenora about this.

Mr. Davis: Answer this question. The member for Kenora is not asking this question.

Hon. Mr. Fontaine: If it is true that the member was a minister, he should be a good Christian and listen a little bit.

While the decision is made on a route, the licences must be obtained. That process can take up to six to eight months. I can assure the member that any recommendation will recognize the importance this government places on high-quality air service in northern Ontario, with due regard for the taxpayer. In short, northern Ontario residents will end up being better served when this is all over.

10:40 p.m.

INSURANCE RATES

Mr. Speaker: Pursuant to standing order 28(b), the member for Welland-Thorold (Mr. Swart) has given notice of his dissatisfaction with the answer given by the Minister of Consumer and Commercial Relations (Mr. Kwinter) to a question concerning an increase in insurance rates. The member has up to five minutes; the minister also has up to five minutes to respond.

Mr. Swart: This debate is taking place this evening not just because of the inadequacy of the replies of the Minister of Consumer and Commercial Relations today and last Friday, but more because the minister proposes no substantive measure to deal with the worst crisis in insurance coverage during this century. In fact, he does not even seem to recognize the degree of the crisis that exists.

Very briefly, the facts are that the increases in the rates that are being applied in 1985 and early in 1986 will take at least \$1 billion, and more likely about \$1.5 billion, out of the Ontario economy. The impact is simply horrendous for the businesses and motorists of this province.

Auto insurance is going to go up by 30 per cent, or probably more than as reported by the Insurers' Advisory Organization. Taxis are facing increases, or many have had them, of 100 per cent. Municipalities have had increases of 200 to 300 per cent. We read in the paper just yesterday or the day before that the 110 or so

hospitals that insure through the Ontario Hospital Association had increases in their rates from \$2 million in 1984 to \$9 million in 1985. Truck firms are reporting increases of two to five times, motor coach operators are reporting increases of two to 10 times and licensed establishments can hardly get insurance at any price.

The increases in those rates are not the whole problem; there is also the inability to get adequate insurance. The Ontario Truckers' Association wrote to Barbara McDougall, Minister of State for Finance, about this problem. She sent them 10 names. When they examined them, only two of those companies would provide insurance and they would only provide it on a selective basis to the best risks.

Mr. Bob Dowd of Carleton Bus Lines said he was notified on November 13 that Royal Insurance would not renew his insurance when it expired on November 30. Incidentally, his company had won safety awards. On November 29, after spending 250 hours, he finally got insurance for his tour coaches, but the price went up from \$1,800 per year to \$15,000 per year.

Rose City Wholesale Inc. in my municipality, Welland, could not get its insurance renewed. It went to the Facility Association and found that what it had paid \$3,600 for last year, it would have to pay \$10,000 to \$12,000 this year. Where did they go for insurance? They went to the United States to buy their insurance, and they got it cheaper.

The minister says, "Leave all this to the marketplace." I have to tell him, there is no marketplace; they cannot get insurance. I have letters here from numerous trucking and bus companies that could not get any other quotes except from where they were getting their insurance. I will send copies of these letters to the minister, because he does not seem to be aware of it.

Another real problem that exists is a likelihood that insurance coverage will be dropped. I have been informed that insurance coverage has been dropped by many licensed establishments because it is not worth the price for them to carry it. If there is a large claim against them and they cannot pay it, they will just go bankrupt. The public is going to suffer from that.

I wonder whether the minister knows all this. He should know it, because this has been taking place for months. In fact, I wrote to him on August 26, pointing out all these problems to him. I asked the minister today whether he had done any investigation of the justification for the refusal to insure and for the massive increases in

the rates. Because he evaded that question, the answer obviously is no.

I admit to the minister, and everyone knows, that settlements and court awards, particularly for liability, are increasing and that some adjustments on rates are necessary. However, if the insurance companies were forced to justify them, we might get by with half of the increases they are applying at present.

I know from the minister's philosophy that he is not prepared to introduce the kind of legislation they have in Saskatchewan, Manitoba and British Columbia, but surely even he would be willing to adopt the kind of plan they have in Alberta, where the insurance companies have to justify all their rate increases. I ask the minister to do that here, with the kinds of horrendous increases that are taking place this year and the inability of businesses and motorists to get insurance.

Hon. Mr. Kwinter: The member for Welland-Thorold has made a very strong case for having me try to justify the rates of insurance companies. I take exception to a couple of statements he made about my not being aware of the problem. On December 2, I made a ministerial statement in which I expressed my great concern for the problem and outlined the steps I was taking to try to resolve it.

He touched on various issues and implied that if Ontario would only go the route of Manitoba, Saskatchewan and British Columbia, we would solve all our problems. I would like to quote from the New York Times of October 20:

"With premiums for business liability insurance soaring and coverage almost impossible to obtain for such high-risk areas as day care centres, obstetrics and long-haul trucking, the commercial insurance industry is, by common agreement, in crisis. Insolvencies among state-regulated insurance companies are running at the highest rate since 1969, when the Insurance Services Office, a trade group, started keeping such records."

We are not operating in isolation in this province. We are part of a global system of insurance where we have re-insurers, most of them offshore, who have a direct and profound effect on this market.

I met with my counterpart in Ottawa to address these problems. I set up a task force to take a look at these problems, because I am very aware of the problem. I live with it every day. I have newspaper headings such as, "Insurance Rise May End Local Bus Charters in London." I know about greenhouses in Leamington that cannot get

insurance and about professionals, such as engineers and doctors, who are complaining, as well as municipalities and hospitals. Without doubt, it is a problem that is of great concern not only to this government, but also to everybody who is doing business.

Wringing one's hands and saying it is a problem does not resolve it. We have to address it and try to find alternatives. One of the things we are doing is trying to set up a Canadian insurance exchange so that we will not be at the mercy of the offshore insurance exchanges, which take a look at the global market, shift their money around, note that the awards that are being made, particularly in Ontario, are too high and, as a result, say, "Let us move our money somewhere else."

I sympathize with the member, as I do with all people who are caught in this bind. I am aware that at the end of this year some re-insurers will be withdrawing their coverage, and that is going to have an impact.

The only thing I can say is that by being aware of it and addressing it, we hope we will come to some resolution. The resolution, however, cannot be done just in this chamber unless, as the member suggests, this province wants to get into the insurance business. At this moment, we are not considering that option.

We are trying to get the industry to take a look at its operations. The other day the member stated in a question to me that the casualty and property insurers made \$207 million net income in the first six months of the year. If that is the case, why are they not continuing to do business?

They would then make \$414 million. Obviously, the money is not quite there or there would be people filling the void in the marketplace.

In a free society, if there is money to be made, there is somebody out there doing it. We have a serious problem; there is no question about that. However, we also have to realize that we have a system whereby the insurance companies have been making money for many years by investing the premiums and making money on their investments. To chase those premiums, to get those premiums to invest, they were cost-cutting the premiums.

10:50 p.m.

With the drop in interest rates, they are not making those profits. They now find they are stuck with some very high awards by the courts. The only source of income they have to offset those high awards is premiums, and the premiums are rising.

We are addressing the problem on two levels. One is availability. If there is no availability, it does not make much sense. It does not matter what the rate is if one does not get insurance. On the other hand, I agree with the member that if one gets a rate that is too high, one might as well not have the availability since one cannot afford it.

These are the issues we are addressing. I am hoping in the very near future we will have a resolution to the problem.

The House adjourned at 10:51 p.m.

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Hansard

Official Report of Debates

Legislative Assembly of Ontario



First Session, 33rd Parliament
Friday, December 6, 1985

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, December 6, 1985

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY EMPLOYEE HEALTH AND SAFETY

Hon. Mr. Wrye: It gives me great pleasure to announce this morning that Dr. James Milton Ham, one of our province's most distinguished educators, administrators and public policy advisers, has accepted the government's invitation to become the first chairman of the new Industrial Disease Standards Panel under the Workers' Compensation Act.

As honourable members will know, the Industrial Disease Standards Panel is one of the most important innovations to be put into place by the recent reform amendments to the act.

Under the new act, it is the function of the panel to investigate possible industrial diseases, make findings as to causation or connection with industrial processes and review and develop criteria for the evaluation and adjudication of workers' compensation claims. It will report publicly.

Before acting on its findings, the Workers' Compensation Board will be required to set out the nature of those findings and call for comment, briefs and submissions. In this way, the whole process of determining compensation policy and practice for industrial disease will be significantly more open and consultative than has been the case in the past.

In my discussions with Dr. Ham, we both agreed that the panel's work could be effectively carried out only if it had access to all available specific information and if it had the understanding of all parties. Further, it will require that where the conditions of information and understanding are inadequate, the panel will be expected to stimulate all parties of interests, including, not least, the medical and engineering professions, to advance these dimensions of the problem.

Dr. Ham brings to his task as the panel's first chairman a rich background in the connections among science, technology and public policy. An electrical engineer by training, he is a past dean of applied science and engineering at the

University of Toronto, and in 1978 he rose to the presidency of that university.

Immediately before returning to his present position as professor of science, technology and public policy at the university, Dr. Ham was a fellow of the Brookings Institute in Washington, DC, where his major project involved exploring the nature and efficacy of public policy approaches to the improvement of industrial health and safety in the United States at both state and federal levels.

As honourable members will recall, Dr. Ham also served as chairman of the Royal Commission on the Health and Safety of Workers in Mines. The report of that royal commission established some of the vital underpinnings of the modern-day occupational health and safety regime in Ontario. In this context, he is therefore uniquely qualified to chair the panel, which will be composed of persons representative of the public as well as of the scientific, technical and professional communities.

Dr. Ham is with us in the visitors' gallery this morning. I know all members will want to join me in wishing him well in his new assignment.

Mr. Gillies: On a point of order, Mr. Speaker: I am somewhat curious. I have read the statement from beginning to end, and I cannot see one reference to the former Minister of Labour, Russell Ramsay, who initiated the Industrial Disease Standards panel. I am sure it is an oversight.

ATTENDANCE OF MINISTERS

Mr. Harris: On a point of order, Mr. Speaker: In view of the fact there are only eight or nine ministers in the House, I wonder whether the Speaker might consider adjourning for 10 minutes so we can get more in.

Mr. Speaker: I will consider it; however, I do not see any point.

Mr. Harris: In view of that, I wonder whether the House might entertain a unanimous motion to go to orders of the day with an understanding that we will revert to question period when the ministers are here.

Hon. Mr. Nixon: I can understand the House leader's views, because I have experienced the same feeling on Friday mornings on occasion.

We are prepared to respond to questions. If the members have specific questions for my colleagues who are not here, we can take them as notice. I can inform the members that the Minister of Health (Mr. Elston), the Premier (Mr. Peterson) the Minister of Housing (Mr. Curling) and the Minister of Municipal Affairs (Mr. Grandmaître) are not expected to attend the session today.

Mr. McClellan: We are ready to proceed with questions. We are used to the inconvenience of not having all the cabinet present on Friday mornings. That has been the case in the 10 years I have been in the House. What we normally do on Fridays is prepare more than two questions. If the government House leader understands that the official opposition have only two questions written for their leader, they can stand the questions down and we will be willing to start the question period.

Mr. Grossman: We have already accomplished a great deal this morning. The government House leader has indicated that his party is prepared to respond to questions, which will be a great accomplishment, and the New Democratic Party House leader has indicated his party is prepared to ask some this morning, which will also be a great accomplishment.

ORAL QUESTIONS

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: My question is for the Minister of Industry, Trade and Technology. Can he tell us—let us laughingly say specifically—whether in the matter of the proposed sale of the Urban Transportation Development Corp., the government is requiring four essential terms to any agreement for that sale? I ask him to remember that we do not want a history of UTDC; we want to know whether he is prepared to get these undertakings.

I ask whether the minister is going to insist on the following terms: (1) preservation or expansion of employment levels at the Kingston and Thunder Bay plants, (2) preservation or expansion of the existing engineering design or research and development staff in operations that are essential to the development of Canadian transit technology, (3) maintenance of an integrated manufacturing and assembly operation at both Thunder Bay and Kingston and (4) some substantial Canadian ownership interest in the company, preferably Canadian control?

Hon. Mr. O'Neil: All those things are being considered and will be uppermost in our minds when we consider any future sale.

10:10 a.m.

Mr. Grossman: I remind the minister that those are precisely the four things the Premier (Mr. Peterson) demanded of the federal government on the proposed sale of de Havilland. Those are excerpts right out of his letter to the Prime Minister. If those are the things he was prepared to demand of the federal government on the proposed sale of de Havilland, let me ask the minister, not whether he is prepared to consider the things the Premier demanded of the Prime Minister on de Havilland, but whether the government of Ontario, which does own this company, is prepared to insist on those four items on any proposed sale.

Hon. Mr. O'Neil: We are indeed the ones who will be selling it and, unlike the honourable member's Tory friends in Ottawa, we will consider all those things seriously, and any sale will be based on that.

Mr. Rae: We have had enough of serious consideration from the minister; what we want are guarantees. The Premier wrote to Mr. Mulroney insisting on certain requirements and he trumpeted them all over the province as best he could.

Is the minister prepared today to make a commitment that unless there is a guarantee of jobs in Kingston and Thunder Bay, a guarantee with respect to research and development, a guarantee for integrated facilities that can produce cars from the beginning to the end and a guarantee with respect to Canadian interests, UTDC will not be sold?

Hon. Mr. O'Neil: Yes, I will give the honourable member that guarantee.

Mr. Grossman: Wait until the Premier finds out what happened when he went away. He is getting more like Little Bo-peep all the time. His sheep are getting away and he never knows.

Can the minister tell us whether any contact has been made with any non-Canadian company with regard to the sale of UTDC? Second, can he give us an assurance that in no circumstances will a sale of UTDC be made to any non-Canadian company?

Hon. Mr. O'Neil: I can confirm that no foreign buyers have been talked to.

Mr. Grossman: Will the minister guarantee not to sell it?

Hon. Mr. Nixon: One question.

Mr. Grossman: Will he give us that guarantee?

Hon. Mr. Nixon: The member fluffed the question.

Mr. Grossman: He will get caught in the hall.

TOURISM BUDGET

Mr. Rowe: I have a question for the Minister of Tourism and Recreation. Will the minister confirm or deny: (1) that his ministry has suffered a \$13-million reduction at the hands of the Treasurer; (2) that during the past 90 days, with him as minister, the following senior positions in his ministry, among others, have been vacated: (a) deputy minister, (b) assistant deputy minister of tourism; and (c) director of tourism marketing, and that an order to bail out his ministry—

Mr. Speaker: Order. The question has been asked.

Hon. Mr. Eakins: I am pleased to respond that there has been no reduction in our ministry as far as dollars are concerned; in fact, there has been an increase. If the honourable member reads the budget, he will find there has been an increase of some 20 per cent in our budget.

There have been some staff changes, and those are normal.

Mr. Rowe: The budget I read shows a \$13-million reduction.

Has the minister made representation, written or otherwise, to the Treasurer (Mr. Nixon) in an attempt to restore the totally insensitive \$13-million reduction in the budget of the Ministry of Tourism and Recreation?

Hon. Mr. Eakins: If the member learned to read the budget our Treasurer put forth, he would find there is not a reduction, but an increase, in the ministry's budget. The Treasurer is very sensitive to the tourism industry, and he made that very clear when he brought down the budget.

I want to clarify that the figure he is reading includes a one-time figure of \$30 million for the domed stadium. When one takes that out, one finds the tourism budget has really increased. The former minister is there and he might tell the member how to read those budget figures.

Mr. Rowe: Can the minister assure the House that the key positions I spoke of before, for the second most important industry in the province, will be filled immediately? Can he assure us today that he is in total control of the Titanic?

Hon. Mr. Eakins: There are many good things going on in my ministry. I am in control. There have been many good changes, such as the Ontario Lottery Corp. distributorships, for which

everyone in the province now has an opportunity to apply. Previously, when a distributorship came open, someone would reach into a barrel and pick the name of a friend. In the past, the Leader of the Opposition (Mr. Grossman) could get his brother-in-law a job as a distributor. Today that cannot be done.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Rae: I will try to raise the tone a little. I have a question for the Minister of Industry, Trade and Technology, also about the Urban Transportation Development Corp.

I was interested to hear the minister's clear statement with respect to those four guarantees. We are very glad to have them on the record today, to have them on tape and electronically transcribed. We appreciate the minister's clarity in that regard.

I am sure the minister is aware that one of the features of this business is a very extensive performance guarantee and bond that has to be posted by the government of Ontario, in this case as the guarantor of a crown corporation, with respect to all the major sales that UTDC has carried out so far: Vancouver, Detroit, Scarborough and so on.

Mr. Speaker: The question.

Mr. Rae: Is the minister prepared to guarantee that if there is a sale, the government of Ontario will not continue to carry the can but that whoever is the ultimate purchaser of UTDC will be required to set out the performance guarantee?

Hon. Mr. O'Neil: I can appreciate the question, but as it comes more directly under the Ministry of Transportation and Communications, I will make sure that minister is made aware of the question and will have an answer for the honourable member the first of the week.

Mr. Gillies: He is right here.

Mr. Rae: With respect, can I ask the minister to redirect the first question to the Minister of Transportation and Communications (Mr. Fulton)?

Mr. Speaker: Is that question redirected to the Minister of Transportation and Communications?

Hon. Mr. O'Neil: Yes, Mr. Speaker.

Hon. Mr. Fulton: We are very much aware of the concern raised by the member for York South (Mr. Rae). It would be a prime consideration in any negotiations that would take place between ourselves, UTDC and any prospective purchaser.

Mr. Rae: Let us take it a step further. We made a little progress in the last round of questions. The minister is moving from a consideration to a guarantee. Is he prepared today to give this House the assurance that the public sector will not carry the can and that the private sector will not get all the profits with respect to this sale?

Hon. Mr. Fulton: I can assure the House that any action taken in the sale and any transaction involving UTDC will be in the public interest of the people of Ontario.

10:20 a.m.

Mr. Hennessy: It is all very well for the minister to make that reply, but there have been many meetings with UTDC; and every time there is a meeting, the people in Toronto have a different version of what they are going to do with UTDC or with Can-Car Rail in Thunder Bay. I am greatly concerned that they might pull a swift, as they did with de Havilland.

Mr. Speaker: I did not hear a question.

Mr. Hennessy: Is the minister going to give us a guarantee that Can-Car Rail will not be sold?

Hon. Mr. Fulton: I wonder if the member could repeat his question. I could not hear it with the noise from the other side.

Mr. Hennessy: I am very pleased to give a command performance. One does not often get an encore here. One gets an encore to carry one out.

Kirk Foley, the president of UTDC, has met with Can-Car many times. Is the minister going to guarantee that the Can-Car plant will not be closed? They are trying to play ping-pong between Kingston and Thunder Bay.

Hon. Mr. Fulton: Nothing that appeared in today's paper would cause anyone concern or is at variance with what the member was told on October 15 in Thunder Bay by Mr. Foley and staff.

Mr. Hennessy: I do not go by the paper. I am asking the minister.

Mr. Rae: I want to go back to, if I may be charitable, the blowhard answer I got from the minister which simply stated that things would be done in the public interest. We always assume that everything is done in the public interest, but what is the public interest?

Will the minister specifically give the House the assurance that the government of Ontario will not simply sell off assets to the private sector and remain as a guarantor carrying the performance bond and all the liabilities? Can he give us the

assurance the same kind of financial fiasco that happened with de Havilland will not happen with UTDC in relation to the public sector of this province?

Hon. Mr. Fulton: I am certain this government will act with far greater responsibility than the government in Ottawa did.

Mr. Rae: That is much too loose a test. Almost anybody could pass that one; it is not very difficult. The minister has not set his standards very high.

DE HAVILLAND AIRCRAFT OF CANADA

Mr. Rae: I have a question for the Minister of Industry, Trade and Technology. The minister will know the de Havilland deal is now at what is called the letter-of-intent stage. The press release of December 3 says, "The letter of intent signed by Minister Stevens, Mr. Marshall and Mr. Albrecht outlines two documents which will be finalized in the coming weeks."

The first of these, the acquisition agreement which covers the legal transfer of de Havilland, will represent the ending of crown ownership. Since the final details of the acquisition agreement have to be finalized, what representations has the minister made since the release of the letter of intent? What steps does he intend to take to ensure that the conditions laid down in the letter of the Premier (Mr. Peterson) on August 16 with respect to job guarantees and research and development are going to be in this final agreement?

Hon. Mr. O'Neil: I thank the leader of the third party for the question. As I have mentioned, in a couple of discussions with the federal government people yesterday afternoon, which the member's party called for, I was told they would be pleased to give us a confidential briefing on the terms of those contracts. I would like to invite the leaders of both opposition parties to participate in reviewing those contracts. If both of them would let me know when it is convenient for them to do so, I will set up an appointment with the federal authorities.

Mr. Rae: I am not interested in having Sinc Stevens whisper the terms of the agreement in my ear, and I say to the minister flat out that I do not think he should be either. I am not asking him for a confidential briefing of any kind whatsoever.

I am asking him what representations Ontario is making today. Instead of getting down on his knees and saying, "My God, they are going to tell us something in private," and thinking that is an achievement, what is the minister doing before the final agreement is signed to fight to make sure

he gets the job guarantee he has been talking about for five months?

Hon. Mr. O'Neil: First, I am not down on my knees to the member or to our friends across the road. Since the other party leaders are as interested and as concerned as I and my party are in this matter, perhaps they will let me know a date they will be free and we will set the thing up. Then we will know a little better how to approach the thing.

Mr. Grossman: I agree that meeting with us would give the minister a lot of information as to how better to approach it, to use his own words.

Will the minister be kind enough to give us all the details of all the trips made from here to Ottawa since last Monday? How many times did he go there? How many times did the Premier go to Ottawa? How many members of the lauded Ministry of Industry, Trade and Technology staff have gone to Ottawa since Monday to press the alleged Peterson case for these guarantees? What has the minister done since Monday afternoon?

Hon. Mr. O'Neil: In the past few days, and especially yesterday, I have related exactly what we have done. I also told the Leader of the Opposition what we are prepared to do, if he intends to co-operate to see whether there is something we can do.

Mr. Rae: Perhaps one would say the Segal has landed.

Instead of talking about a confidential briefing, why not have Mr. de Cotret, Mr. Stevens and others involved in the sale come down to a committee of this House and justify to us in this Legislature why Ontario's interests are being sold out? Why not propose that as an alternative instead of getting sweet nothings from Sinc Stevens in Ottawa?

Hon. Mr. O'Neil: If we go to Ottawa those people may be present at the briefing; if not, maybe I can make that suggestion.

TEACHERS' LABOUR DISPUTE

Mr. Davis: I have a question for the Minister of Education concerning the teachers' strike in Wellington county that this government allowed to drag on interminably until forced into action by the prodding of members on this side of the House. The minister refused to become involved in the situation until the 12th hour, when he finally met with the concerned parties.

The minister must be aware that of the 8,200 students who were affected by the strike, 10 per cent have not returned to the classroom. Is the minister planning any program to try to get those

youngsters back into the classroom to salvage their academic year and careers, and to check this pitiful waste of students? When the minister speaks on this, I think it is imperative he understands that he has a responsibility to the young people of this province.

Hon. Mr. Conway: I warn my friend the member for Scarborough Centre (Mr. Davis) that he ought not to drown or asphyxiate in a sea or pool of self-congratulation. It is not particularly helpful.

I say that only because, when the government brought forward the legislation, I was informed the office of the Leader of the Opposition (Mr. Grossman) was on the phone to the editorial offices of the Guelph Mercury demanding that he be given credit for all that had been done in that matter.

Hon. Mr. Nixon: Twice.

10:30 a.m.

Hon. Mr. Conway: As the member for Brant-Oxford-Norfolk (Mr. Nixon) points out, there was not one call but two calls demanding that the Guelph Mercury give the Leader of the Opposition credit for the matter. Unfortunately, that says the opposition is much more worried about getting credit than about the students of Wellington county.

Hon. Mr. Nixon: Publicity is mother's milk to him.

Mr. Speaker: Order.

Hon. Mr. Conway: To my reverend colleague the member for Scarborough Centre, I would simply indicate that, as he knows, a number of the students in question have enrolled in high school programs outside of the county. Others have obviously taken employment.

Mr. Davis: There are 168.

Hon. Mr. Conway: The honourable member is aware of those data. I am glad to hear him interject that.

The honourable gentleman will know that a number of those students have taken employment. We expect they will be returning to classes very shortly. At this very moment, the Wellington County Board of Education is in the process of contacting all the students in question to see if, as and when they intend to return. Our regional office has been in contact with the board and we are co-operating with the Wellington county board to ensure all of those students return to class, as I suspect most will in the very near future.

Mr. J. M. Johnson: At the start, I would say the Minister of Education should be ashamed of

himself for talking about taking credit or giving blame. He has a responsibility to the students. Can he stand in his place in this House and honestly say the students of Wellington county will receive the same quality of education as other students in this province not affected by the strike?

Hon. Mr. Conway: I want to say to my friend from Mount Forest, I was simply making the point that his leader was on the phone to the Guelph Mercury demanding credit. That is the action of the Leader of the Opposition. I was not on the phone to the Guelph newspaper; the Leader of the Opposition was. That is the reality.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Conway: I want to say to the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) that I am quite confident the students in Wellington county will be able to successfully complete their courses of study in this academic year, as was the case, for example, in the Sudbury area when his party, while in government, allowed the strike to go on 56 days.

POST-SECONDARY EDUCATION

Ms. Bryden: I have a question for the Treasurer. At yesterday's rally at the Ontario Institute for Studies in Education, the minister said his budget announcement on the transfer of OISE to the University of Toronto was just the beginning; that rationalization of the post-secondary system has to occur and he is going to do it. What further mergers, consolidations or even closures does he have in mind?

Hon. Mr. Nixon: I have none in mind.

Mr. Allen: If the Treasurer has nothing of that sort in mind, then what does he have in mind? He will remember very well the dilemma created by the Fisher report, which this critic cited time without end, which stated, "Either you fund up the system or you have to close it or radically reorganize." In the Stephenson years, we went all through those hoops and could not find a way through. Is the Treasurer telling us he is abandoning all the positions of the Liberal critics of recent years and heading back into the Stephenson years with a false hope and an impossible dilemma?

Hon. Mr. Nixon: The leadership of the ministry in the Stephenson years was rather timorous and not strongly directed.

Miss Stephenson: Oh, really.

Mr. Grossman: Is the Treasurer crazy? The former Minister of Education is here today.

Hon. Mr. Nixon: I thought I would just put that out for discussion.

Miss Stephenson: Would the Treasurer like to step outside?

Hon. Mr. Nixon: The questioners will be aware that this year we allocated well over \$2 billion for the post-secondary system, with an increase—

Interjection.

Hon. Mr. Nixon: Peace, peace; it is Christmas—with an increase of \$119 million, fulfilling the commitment made by the Leader of the Opposition (Mr. Grossman) for special quality funding of an additional \$60 million. This was not greeted with much enthusiasm by the leaders in the post-secondary community, just as year by year for the past decade the allocations have probably been considered inadequate by people on both sides of the House. Obviously, there has to be more funding for the post-secondary system, but we have to share the scarce funds among many demanding sectors of the economy.

The Minister of Health (Mr. Elston) is not here this morning, but the member can imagine how concerned he is that health services get their fair share, and so it goes. It seems to me to be unreasonable for me as Treasurer to expect the leadership in the post-secondary community to say, "We are going to arrange our costs in these ways and improve efficiency." They believe they are as efficient as they can be with the structure of the post-secondary system that has been established over these many years.

At the same time, the government of Canada has announced unilaterally and aggressively, without consultation, that it is going to reduce the rate of increase of the transfers, which at the end of the fifth year will reduce our money for post-secondary education and health in this jurisdiction by \$2 billion. What is a poor Treasurer supposed to do? A Treasurer will feel constrained to provide some leadership, not in the autonomy of education but in improving efficiency in the provision of post-secondary education.

My announcement about the Ontario Institute for Studies in Education was a start in that regard, and I hope reasonable voices at the University of Toronto and at OISE will move in a progressive, efficient and useful way to permit the transfers of funds to OISE—

Mr. Speaker: Order.

Mr. McFadden: At the rally yesterday, the Treasurer specifically used the words "rational-

ization around the same time and in the context of the closing of OISE," and he referred to "rationalization of the Ontario university system."

Will the Treasurer please indicate to the House what he means by "rationalization"? Does he mean the closures, mergers, amalgamations and disappearances of schools or entire universities? In the whole context of rationalization, is he proposing to consult or is he proposing to go ahead with the kind of process that happened with OISE; namely, an announcement in a budget without any consultation with the university community whatsoever?

Hon. Mr. Nixon: No announcement that OISE is going to be closed has been made in the budget or by anyone except some extremists at the meeting yesterday. Obviously, we need educational research in this community and I was a part of the opposition when, along with Walter Pitman, as I understand it, we urged the government of the day to provide funds for educational research.

We believe OISE's facilities should be administered by the University of Toronto. There has been no indication of closing it, no indication of laying off of staff, and no indication of doing anything but continuing that particularly attractive acronym. What we want is a rationalization of the administration of the organization so that the organizations operating on each side of Bloor Street West can have the benefit of the efficiencies and, we hope, the cost savings of coming under the board of the University of Toronto. In my view, there is no indication that the moneys available for research in education would be reduced, but rather that they would be applied in an efficient and judicious way.

10:40 a.m.

PUBLIC HEALTH NURSES

Mr. Gillies: My question is for the Minister of Labour. Strikes in education are not the only public sector strikes about which our party has a concern.

I would like to ask the minister about public health nurses. He will be aware that there have been lockouts or strikes of public health nurses in all parts of the province this year: Essex, Kent county, Oxford county and one in Kingston that dragged on for more than six months. Will the Minister of Labour tell the House the status of the public health nurses' strike in Chatham-Kent?

Hon. Mr. Wrye: I know the Essex strike has been settled. At last report the Chatham-Kent strike was still under way. Obviously, my

officials are watching these disputes very closely. I am a member in an area—Windsor and Essex county—where we had a very lengthy strike. They are very unhappy disputes, but we hope that over a period of time these matters can be settled by the parties at the bargaining table. We certainly hope such will be the case in this individual strike.

Mr. Gillies: I am sure the minister will understand that these strikes are of grave concern to the citizens who are affected by them.

His answer is somewhat at variance with what he told a demonstration in front of the Legislature on June 12. At that time, as Labour critic for his party, he indicated sympathy for the prospect of sending disputes with health units to compulsory arbitration for settlement. The nurses walked away that day with that understanding.

Is that still his position as Minister of Labour, or is his position the one he just indicated in his answer, that he would rather these disputes be settled by conciliation?

Hon. Mr. Wrye: The comment I made in my first response and the comment I will make again is that this government believes it is appropriate in as many circumstances as possible, whether we have the right to strike as the final right or whether we deny the right to strike and have a right to go to arbitration, for the parties to bargain collectively and reach an agreement among themselves. That allows for the best possible relationship.

Since taking office, the government has been reviewing and will continue to review very closely and very carefully on an issue-by-issue basis whether the situation in which not only the public health nurses but other groups find themselves is appropriate, whether they have the right to strike or whether that right is denied. As our review goes forward and as we believe there may be appropriate changes—and I know the views of the public health nurses—we will bring them forward to the member and to the Legislature.

Mr. D. S. Cooke: I would suggest the comments the minister made out front to the demonstration when he was an opposition critic were made because that is what he knew the Ontario Nurses' Association wanted to hear on that particular day.

Would the minister not agree that it is fair to say that public health nurses in public health units should be paid the same wages as hospital nurses? If he agrees with that proposition, would he not talk to the Minister of Health (Mr. Elston) and say that public health units should be funded

appropriately so that equity can come about, just as was done in 1976 by the then Minister of Health, the member for Muskoka (Mr. F. S. Miller)? Can he not do the same thing?

Hon. Mr. Wrye: I find my friend's views very interesting. I am a little surprised my friend would not support this government in its desire that the parties bargain collectively to reach an agreement. On this matter of parity, I am sure that is a thought he might want to put to my colleague the Minister of Health.

ST. CLAIR RIVER

Mrs. Grier: I have a question for the Minister of the Environment. In November 1984, the member for York South (Mr. Rae) revealed that Ethyl Canada was discharging lead into the St. Clair River at levels twice those permitted by ministry guidelines. We now find that this dumping is continuing and that this one company is discharging into the St. Clair River more on a daily basis than do all the industries that discharge into the Niagara River.

Can the minister not confirm that nothing has been done, one year after this was revealed, to control this discharge? Does the minister not agree it is about time charges were laid?

Hon. Mr. Bradley: I would indicate to the honourable member that while I cannot say nothing has been done, as the Minister of the Environment I am not satisfied that Ethyl Canada is producing the kind of effluent that is environmentally acceptable to people in that area or to people in any part of Canada. What I am saying to her, however, is that certain action has taken place. For instance, there are meetings currently taking place with the companies in question.

Mr. McClellan: What does that mean? They are still polluting. Is that what the minister is trying to say?

Hon. Mr. Bradley: The Leader of the Opposition (Mr. Grossman) would want to be assured that is the case.

Mrs. Grier: He is not interested at all.

Hon. Mr. Bradley: Sorry, the leader of the third party—it was a slip there—who is interjecting at this time, would want to be assured that is taking place. Ministry officials are making known to the company our dissatisfaction with the discharges that have taken place and continue to take place, with a view to further reductions in the parameters that were in question. As well, the upper Great Lakes connecting channel study group is in the process of undertaking a survey which will alter the effluent criteria in the future

for all the industries in this area. The member would want to be assured that is taking place.

As to the question of charges, about which the member legitimately asks, I have asked my ministry, through the investigations and enforcement branch, to determine whether charges can be pressed in this case. If there is sufficient evidence to warrant charges—and from information provided it appears that might be the case—I can assure the member that charges will be laid.

Mrs. Grier: I recognize that the minister is concerned, that he is having meetings and making known his dissatisfaction, but is he not vitally concerned that there is some immediate action to stop what is happening on a daily basis? There was evidence last March from Environment Canada. He has the power to put out control orders.

Will he order a public inquiry into the whole range of problems being revealed on a daily basis down there? We want some action, and I do not hear the minister agreeing to do that. When might we see some concrete action and some firm control orders? When he puts those in place, then he can continue with his investigation.

Hon. Mr. Bradley: In my view, control orders, as opposed to certificates of approval, appear to be the only solution in many of the cases. There is another method of handling the situation which is provided for at present; that is, the development of a very strong regulation which would meet the concerns of a lot of people and which would apply to all the industries located along the St. Clair River and to industries in other parts of the province that are not meeting the requirements and expectations of the Ministry of the Environment.

The member can be assured that this minister wishes to take immediate action when matters of this kind are brought to his attention. I give her the assurance that immediate action will be taken and I will report back to the House next week, if she wishes to ask further about it.

Mr. Brandt: The minister would not want to give the impression that Ethyl Canada has not made some efforts towards a cleanup of its problem over the years with respect to tetraethyl lead emissions.

Mr. McClellan: Let us hear it for the polluters.

Mr. Speaker: Order. Question?

Mr. Brandt: It must be feeding time in the third party. I welcome the member's participation.

Would the minister indicate to the House what the total level of capital expenditure has been by Ethyl Canada with respect to pollution abatement programs over the past 10 years?

10:50 a.m.

Hon. Mr. Bradley: I do not have those specific figures, but I do want to say to the former Minister of the Environment and the former Environment critic for the Progressive Conservative Party that, regardless of how much money has been spent by Ethyl Canada over the last number of years and regardless of what activities have taken place to diminish the amount of effluent going into the river, I am not convinced at this time that the effort has been sufficient. Whatever amount of money is required to protect the environment and the health and safety of people in that area should be expended.

AGRICULTURAL STABILIZATION PROGRAMS

Mr. Stevenson: I have a question of the Minister of Agriculture and Food. Farmers who sold slaughter cattle in October, prior to the recent increases in prices, will not be eligible for the 1985 stabilization payments. Are there any plans to assist these producers?

Hon. Mr. Riddell: First, let me applaud myself. For farmers who sold their cattle in October and are not eligible for assistance, it means they were receiving a sufficiently high price that would not trigger the stabilization payment. No, we have no plans to see they get any payment.

Mr. Stevenson: The farmers who sold in October did not get a high price. All other ministers in Canada who have not signed the stabilization agreement can still make independent payments. This minister rushed into signing the tripartite agreement to polish his image prior to the Ontario Federation of Agriculture annual meeting. Is it true he is now the only agricultural minister in Canada who cannot help the producers who sold in October, prior to the recent price increase?

Hon. Mr. Riddell: The minister signed the agreement at the request of the Ontario Pork Producers' Marketing Board, the Ontario Cattlemen's Association and the Ontario Sheep Association. This is a government that consults with those organizations before it does anything, quite unlike the previous government.

CHILDREN'S MENTAL HEALTH SERVICES

Mr. Wildman: I have a question of the Minister of Community and Social Services

regarding the failure of his ministry to provide services in the various children's mental health and protection agencies, particularly for adolescents in Algoma district.

Can he indicate whether the needs study that has been initiated by his ministry has found that there are indeed inadequate intake and assessment services, to the point that local agencies are having to refer kids to Michigan; that there is no co-ordinated crisis intervention program for suicide attempts or sexual, drug and alcohol abuse cases in Algoma; that there are no day treatment programs for adolescents with behavioural, emotional or psychological problems; that the closest short-term or long-term treatment facility for children and adolescents is in southern Ontario, hundreds of miles away, and that there are inadequate outpatient counselling services in Algoma district?

Mr. Speaker: Question, please.

Mr. Wildman: Can the minister explain what effort he is prepared to take to provide the direction and funds required to upgrade the needed mental health programs for children and adolescents in Algoma and how long it is going to take?

Hon. Mr. Sweeney: Since this ministry has taken over children's mental health, the number of centres has increased from approximately 50 to about 85, of which 14 have been in northern Ontario.

The member is well aware this ministry is at present involved with establishing the Algoma Child and Youth Services in his community and that we are working very closely with the community board of that facility to get that program off the ground as quickly as possible. I hope that would be some time within the next couple of months.

Mr. Wildman: I do not understand why the minister is defending the poor record of the previous government and the Algoma Child and Youth Services in this area.

Is the minister aware of one sexually abused child who has made seven suicide attempts but has never been given adequate follow-up treatment? When is he going to provide crisis intervention, intake and assessment, and residential treatment services for adolescents in Sault Ste. Marie and Algoma district, much like those in the other districts, even those in the north that are underserviced?

Hon. Mr. Sweeney: I am well aware that there are waiting lists all across Ontario for children who have mental health problems. The

north has particular problems and, as I indicated, they are being dealt with at present.

I am also in the process right at the moment of renegotiating with the federal government cost-sharing arrangements which could bring in up to an additional \$30 million, so that we can provide more services all across the province, including northern Ontario, for children who have particular mental health problems.

Mr. Cousens: Has the minister been up north to look at the problem that is being asked about?

Hon. Mr. Sweeney: In the last two months I have had an extensive tour of northeastern Ontario and within the last three weeks a tour of northwestern Ontario. I have visited family resource centres, homes for the aged and children's mental health centres.

Mr. Cousens: Did the minister visit that one?

Hon. Mr. Sweeney: Yes.

VISITOR

Mr. Grossman: Mr. Speaker, I would like to draw to the attention of the House the presence in the gallery of the Liberal MP, the former Solicitor General, Robert Kaplan. I see him currently meeting with the Minister of Consumer and Commercial Relations (Mr. Kwinter). I devoutly hope he will meet with the Minister of Industry, Trade and Technology (Mr. O'Neil) after question period and explain a few things about de Havilland to him.

Mr. Speaker: Order.

Mr. Grossman: Perhaps the members would join me in welcoming the Honourable Mr. Kaplan.

VICTIMS OF CRIME

Mr. Pope: I have a question for the Attorney General. The minister has told the House his ministry has a policy for dealing with sexual assault victims to see that they are "properly prepared for trial and initiated into the process in a way that makes them reasonably comfortable."

Does the Attorney General not see that assistance programs for the victims of other equally serious crimes are desperately needed? Will he move immediately to put such a program into place?

Hon. Mr. Scott: I thank the honourable member for his question. He will recognize from his days on this side that there is such a program that relates to sexual assault cases. We are looking at the possibility of extending it to other cases, but no decisions have been made. There is a substantial cost in programs of this type and it is

very important that it should be done effectively across the province in sexual assault cases first.

Mr. Pope: Reviewing the matter does not do anything to put the program into place. The minister's estimates now make no provision for the funding of victim-witness assistance programs that were initiated by the former government. I ask the Attorney General to indicate immediately his commitment to help these victims and these witnesses and restore to that program the funding that was taken away.

Hon. Mr. Scott: My honourable friend, perhaps as a result of his success at the convention where he made such an effective speech, has forgotten that the estimates I am dealing with are the estimates he presented.

Hon. Mr. Nixon: Unchanged.

Hon. Mr. Scott: If he would like to attend on any basis before the standing committee on administration of justice, he would find out that those programs are being provided by the ministry and will continue to be provided.

INSURANCE RATES

Mr. Swart: I would like to put a question to the Minister of Consumer and Commercial Relations, again on the matter of insurance. The minister will know that his superintendent of insurance—I assume with the minister's approval—has taken steps to limit competition in the sale of life insurance; in effect, he prohibited insurance brokers from shopping around to acquire the cheapest life insurance for their clients.

Recognizing that there sometimes are differences of 50 per cent to 100 per cent in the rates from different companies, why is the minister backing the wealthy life insurance companies in their effort to restrict competition against the best interests of the public and even the best interests of the agents and brokers?

Hon. Mr. Kwinter: The member for Welland-Thorold raises a question that certainly has a lot of different sides to it. Some insurance agents are unhappy with that matter, but the industry as a whole seems to be very supportive of it.

Mr. McClellan: What a surprise.

11 a.m.

Hon. Mr. Kwinter: The whole essence of that is to try to protect the consumers so we do not have people holding themselves out to be representatives of insurance companies when they are not. We are monitoring that situation. We have had input from all aspects of the

industry and that seems to be the general consensus.

Mr. Swart: The minister must know that Ontario is one of the few provinces in Canada, perhaps the only one, that does not allow brokers in the life insurance industry. He must also know that with today's computer software it is possible for brokers to determine almost immediately where the best deal can be obtained for their customers.

Given that concerned agents and brokers are holding a rally four days from now to protest the minister's arbitrary limitations on competition, will he give a commitment that he will rescind subsection 346(13) of the Insurance Act and directly license brokers and agents to sell insurance from any companies that think they can give consumers the best deal on life insurance?

Hon. Mr. Kwinter: Any broker who wants to represent a company can get representation.

Mr. Swart: No.

Hon. Mr. Kwinter: That is correct. All we are trying to do is bring some regularity to the industry.

Mr. Gregory: I have a supplementary to the question raised by the member for Welland-Thorold, who obviously has no knowledge of the life insurance business or he would not have asked such a dumb question. It is impossible to treat the sale of life insurance through a broker in the same way as general insurance, as my friend has suggested.

Can I have the minister's assurance that he will not tamper with a system that has been very successful over the past years?

Hon. Mr. Kwinter: I can certainly give the honourable member my assurance on that.

Mr. Harris: Mr. Speaker, on a point of order: I want to inform the House that we would be willing to revert to statements should the Minister of Industry, Trade and Technology (Mr. O'Neil), following his meeting with Mr. Kaplan—

Mr. Speaker: Order. We are in question period. We do not want to waste members' time.

SALE OF BEER AND WINE

Mr. Andrewes: I have a question for the Minister of Consumer and Commercial Relations regarding beer and wine in grocery stores. The minister will know that the official position of the Liberal Party, as set out in its communiqué of April 15, 1985, was, "The Ontario Liberal Party proposes the sale of domestic beer and wine in independently owned and specialty stores."

It now appears from press reports that position has been amended and that the commitment to the public and to the industry on domestic wine will be broken and wines from the United States and Europe will be included in the proposed legislation. Will the minister verify that, please?

Hon. Mr. Kwinter: There has been no release of any information in regard to what our policy is going to be on that. It will be going to cabinet, but there has been no determination. However, there is an awareness that we are under severe pressure from both our US trading partners and members of the European Community under the General Agreement on Tariffs and Trade to make sure we treat them fairly. Pending the ongoing negotiations, that fact will determine how we deal with that policy.

Mr. Andrewes: The minister seems to be walking on eggs. What does he say to groups such as the grape growers in Ontario, the Ontario Wine Council, the Grape Action Committee and all the other groups that believed the now Premier (Mr. Peterson) when he told them last April it would be domestic wine only as part of the Liberal policy? What does he say to these groups? Does he simply say that is another broken promise in a long string this party has offered—

Mr. Speaker: Perhaps you would let the minister answer rather than answer yourself.

Hon. Mr. Kwinter: The honourable member raises some very interesting hypotheses, but he raises them without any knowledge. He has no idea what our policy is going to be when we bring it in. When we do, he will see it.

Mr. Rae: The minister says we have no idea what the policy is going to be. It sounds as if the minister does not have any idea what the policy is going to be either.

Can the minister tell us when this much-vaunted and much-touted legislation is going to see the light of day so we will have a chance to discuss it in this Legislature and treat it in the way it so richly deserves?

Hon. Mr. Kwinter: The policy has been formulated in draft form. It will be going to committee of cabinet prior to Christmas. What happens after it gets to cabinet is in the hands of the Premier.

PRENTICE-HALL CANADA

Mr. Grande: My question is for the Minister of Industry, Trade and Technology. He knows Gulf and Western has an application before Investment Canada to be allowed to buy

Prentice-Hall Canada. He also knows that decision will be made by December 31, 1985. Can the minister inform the House whether his ministry has made a formal response to the federal government as to his government's position on the sale of Prentice-Hall?

Hon. Mr. O'Neil: Yes, it has, and a very strong one. The Premier (Mr. Peterson) has stated where we stand on that matter, as has the minister.

Mr. Grande: The minister says that response has been made. To the best of my information, there has been no formal response to Investment Canada. Will the minister table his government's response to Investment Canada?

Hon. Mr. O'Neil: I will be very pleased to table it. I sent a letter some time back, and I will be very pleased to send a copy of it to the honourable member.

SUMMER WAGES

Mr. Pierce: My question is for the Minister of Natural Resources. It has been a number of weeks since the minister referred to the fact that he was going to ensure his ministry paid the students and young people who worked for the contractors who planted the trees in northwestern Ontario this summer. Since it is almost Christmas, I wonder whether the minister can assure the House that these young people will get their money in the near future and before Christmas.

Hon. Mr. Kerrio: I thank the honourable member for the question. I am a little disturbed by the question in the sense that for the first time in the history of this province a government has taken the initiative to make up for the shortcomings of another government's poor contracting. The very basic and fundamental way in which people should be treated in the guaranteeing of their wages was not done by the former government.

With pressure to make a decision from many sides, including all parties, the determination to change policy was made by this minister. I am very disappointed the member is not being more helpful, but rather is causing some embarrassment about the time frame. It is going to be done as quickly as we can do it. Also, I give the House the assurance that it will not happen again, because this government knows how to do business and it will make sure our people are paid.

PETITIONS

ABORTION CLINICS

Mr. Hennessy: I have three petitions. The first is to the Premier (Mr. Peterson):

"Henry Morgentaler's case is still before the courts, yet your government is allowing him to continue to break the law and operate his abortuary. No other person facing criminal charges is permitted to continue criminal activities while waiting for his case to be heard. Close the abortuary and have bail set so that Morgentaler cannot continue his killing business."

The second petition is to the Minister of Health (Mr. Elston):

"I am opposed to government-run community abortuaries or hospitals enforcing therapeutic abortion committees. I understand your government and department of health are considering these actions. Thirty thousand abortions are performed annually in Ontario. There is no need to widen access for our funded killings."

11:10 a.m.

The third one goes to the Attorney General (Mr. Scott):

"Abortions are rarely, if ever, required for medical reasons. Would any other person facing criminal charges be allowed to continue his criminal activities? I am against government-licensed abortion clinics, which I understand your government is considering."

I present these petitions, which are signed by about 400 people, to the various ministers I have mentioned.

Mr. Speaker: I was trying to listen. There was a lot of noise. I do not know whether they were addressed to the Lieutenant Governor in Council.

Mr. Hennessy: They are, yes.

ANNUAL REPORT, ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

Mr. McFadden: Under the provisions of standing order 33(b), I wish to present the following petition:

"We, the undersigned, request that the 1984-85 annual report of the Ontario Institute for Studies in Education be referred to the standing committee on social development."

MOTIONS

COMMITTEE SITTINGS

Hon. Mr. Nixon moved that the standing committee on procedural affairs and agencies, boards and commissions be authorized to meet following routine proceedings on, and in the evening of, Thursday, December 12, 1985, with respect to the matter of privilege concerning the member for Riverdale (Mr. Reville).

Motion agreed to.

Hon. Mr. Nixon moved that the standing committee on public accounts be authorized to meet following routine proceedings on Tuesday, December 10, 1985.

Motion agreed to.

COMMITTEE SUBSTITUTION

Hon. Mr. Nixon moved that Mr. Harris be substituted for Mr. Eves on the standing committee on public accounts.

Motion agreed to.

REFERRAL OF REPORT

Hon. Mr. Nixon moved that the report on the audit of forest management activity by the Office of the Provincial Auditor, tabled on November 1, 1985, be referred to the standing committee on public accounts.

Motion agreed to.

INTRODUCTION OF BILL

CITY OF MISSISSAUGA ACT

Mrs. Marland moved, second by Mr. Villeneuve, first reading of Bill Pr26, An Act respecting the City of Mississauga.

Motion agreed to.

ORDERS OF THE DAY

CITY OF NORTH YORK ACT

Mr. Leluk moved, on behalf of Mr. McCaffrey, second reading of Bill Pr15, An Act respecting the City of North York.

Motion agreed to.

Third reading also agreed to on motion.

BELLEVILLE GENERAL HOSPITAL ACT

Mr. Pollock moved second reading of Bill Pr19, An Act respecting The Belleville General Hospital.

Motion agreed to.

Third reading also agreed to on motion.

404 K-W WING ROYAL CANADIAN AIR FORCE ASSOCIATION ACT

Mr. Barlow moved second reading of Bill Pr22, An Act to revive 404 K-W Wing Royal Canadian Air Force Association.

Motion agreed to.

Third reading also agreed to on motion.

COUNTY OF ELGIN ACT

Mr. J. M. Johnson moved, on behalf of Mr. McNeil, second reading of Bill Pr24, An Act respecting the County of Elgin.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF BRAMPTON ACT

Mr. Callahan moved second reading of Bill Pr25, An Act respecting the City of Brampton.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF SUDBURY ACT

Mr. Philip moved, on behalf of Mr. Martel, second reading of Bill Pr27, An Act respecting the City of Sudbury.

Motion agreed to.

Third reading also agreed to on motion.

BALFOUR BEACH ASSOCIATION ACT

Mr. Leluk moved, on behalf of Mr. McCaffrey, second reading of Bill Pr30, An Act to revive the Balfour Beach Association.

Motion agreed to.

Third reading also agreed to on motion.

PETERBOROUGH RACING ASSOCIATION LIMITED ACT

Mr. Turner moved second reading of Bill Pr39, An Act respecting Peterborough Racing Association Limited.

Motion agreed to.

Third reading also agreed to on motion.

11:20 a.m.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

Hon. Mr. Nixon: I wish to table the answer to question 94 and the interim answer to question 97 standing on the notice paper [see appendix, page 2216].

House in committee of supply.

ESTIMATES, MANAGEMENT BOARD OF CABINET (continued)

Mr. Philip: When we adjourned, I was in the middle of my leadoff, talking about the roles of the Management Board of Cabinet and the Chairman of Management Board (Ms. Caplan). I was talking about the difficulty the Chairman of Management Board seemed to have in enforcing the rules of Management Board in the Ontario Manual of Administration on her colleagues.

Management Board has extensive powers to ask for any account, statement, document, report or information the board deems necessary in the

performance of its duties. The board may also investigate any operation of the public service. The problem is that with previous incumbents who were there for long periods—and I recognize that in the case of the member for York Mills (Miss Stephenson) she was in the position for only a short time—they failed to do so.

That brings about the issue I dealt with—perhaps the minister heard my remarks—on Metro Morning concerning the whole role of accountability and how we can deal with the problem the Chairman of Management Board has. No matter who the incumbent is in that post, it seems there is a difficulty in that it is often not in one's political interest to step on one's colleagues. That is often the role the Chairman of Management Board has, if he or she is doing the job properly. He or she will have to say to a minister, including perhaps the Treasurer (Mr. Nixon), "Look, what you want to do is in violation of the Manual of Administration," or "We cannot do what you want at this point in this way."

One of the suggestions I made—and if the minister heard my comments, she will no doubt be pleased that I am trying to promote her—was that the Chairman of Management Board should also be the Deputy Premier. There was one minister—and I see her sitting in the House—who held both posts at that time, but it was unfortunately for a very short time and, therefore, she was not in a position to bring in any of the kinds of changes she probably would have put into force. Unless somebody with power in the cabinet is in that post of Chairman of Management Board, then one has the kind of weak administration we have had in the past.

Another possibility which should be considered is the possibility of going the federal government's route and setting up a comptroller general. The Comptroller General in the federal government reports to the President of the Treasury Board, which at the risk of simplification can be translated in provincial terms to the equivalent of the Chairman of Management Board.

The advantage of an office of comptroller general is that one has professional staff who have an ongoing responsibility to act, if one likes, as management consultants to the government. They are there no matter what happens to the minister. The minister can change. The minister can hold that office for only a few weeks, as happened in the case of the member for York Mills, but at least there is some consistency within that office in the way of looking at what is

happening in the future to government spending and how the administration is operating.

In the case of the federal Comptroller General, he involves himself in a number of branches. One is the policy development branch which develops and maintains financial and management accounting policies for the government of Canada and offers technical and implementation advice to departments and agencies on these policies. I recognize that the Provincial Auditor attempts to perform that function and at all times, no matter how supportive he may try to be, he is still the outsider who is there trying to find mistakes.

I suggest to the minister that a comptroller general and his staff, being much more on the government's side of things, so to speak, are less of a threat to the public servants and therefore more likely to have those public servants open up with their problems and seek advice before the major problems occur later and before we have the kind of fiascos we hear about in the auditor's report.

The management practices branch works directly with deputy ministers and senior managers in departments to ensure that departments develop, use and implement sound managerial practices which are tailored to their needs, and that there is integrated financial planning done with the proper controls in place.

Last and probably most important, there is a program evaluation branch. If we look at some of the major fiascos of the previous government, we see programs that have had absolutely no evaluation. If we do not have clearly stated objectives that are measurable, then we cannot have any evaluation, and the two go hand in hand. That is why I suggested to the Chairman of Management Board that perhaps this is a time to look at both the federal system and its equivalent in the United States which provide a Comptroller General with the staff to work with the various deputy ministers to see that value is being obtained for the taxpayer's dollar.

The other side of it is the whole problem of the role of the Provincial Auditor. At some point, I hope the minister may do me the honour—and I think she will find it interesting since other people have commented that they found it interesting—of studying the presentation I made to the Canadian Council of Public Accounts on July 7 to 10 of this year. I believe it can be obtained from the library and, if not, I can lend the minister my personal copy. It is a Hansard taken from the conference, and in it I suggest that perhaps the role of the Provincial Auditor should be changed in a number of ways.

One of the ways I suggest it be changed is that it should perhaps be most closely analogous to that of the General Accounting Office in the United States; that is, that the Provincial Auditor should be able to consider not only whether proper tenders have been let, not only whether the Manual of Administration has been followed, but also whether alternative routes of meeting the government's objectives have been fully explored and whether those routes have been properly evaluated.

I suggest to the minister that is not done in any province of Canada that I know of; it is not needed in a good many of the provinces. But as we get into a much more complex society with the largest province in Canada, we may have to look at some of the problems with which the Americans have had to cope with their large budgets and take some of the better initiatives from their system.

11:30 a.m.

If I were a member of the Territorial Council in the Northwest Territories, or the Legislative Assembly in the Yukon or Prince Edward Island, I would look at these suggestions and say: "Absolute nonsense. It is not needed." In those areas, I do not doubt it is not needed. If one knows every public servant personally, the Legislature as a whole can serve as that monitoring device or mechanism. However, in a complex society such as Ontario, with the kinds of budgets we now have, I suggest the Provincial Auditor has to be given more powers.

The other area I think we have to look at if we want to obtain efficiencies is that the Legislative Assembly has to be given more powers. One of the most useless exercises, in most cases, has been the estimates system. My colleague the member for Oshawa (Mr. Breaugh) and his committee have looked at that and are making some interesting proposals. I will not repeat what he has done, the debate that took place last Thursday evening or the one that will be taking place in the future when the Conservative Party has had an opportunity to study some of those proposals, since I gather it wants more time on them.

One of the things that has to be dealt with is that parliamentarians must have the financial data to deal with policies in a meaningful way, and that has not happened in the past. Estimates, by and large—in fact entirely—have dealt with past expenditures. Committees have had to fly by the seat of their pants, in most cases relying entirely on the expertise of members of the public

service, who have a vested interest in presenting their own or their minister's point of view.

I am suggesting the Provincial Auditor should have the authority under his act not just to take on assignments for the public accounts committee, a minister of the crown, the government, or as directed by parliament, but also on the direction of any committee of the Legislature that sees fit to pass a motion requesting assistance. This is what happens in the United States, where the committees of Congress have found the General Accounting Office can often provide very valuable information that helps them to make decisions with a real economic research base. I am suggesting we have to look at that as a possibility if we want to have the Legislative Assembly in control of the taxpayers' budgets.

The other thing that is very difficult to handle is the whole problem of access to information by members of the Legislature. As an example, I have here question 385 which I asked several times. It was never answered. It requests the following information:

"How many contract employees are presently working for cabinet ministers? Are the contracts arranged directly by the Premier's office and if not, how are they arranged? Is there a job description for each contract position? How many contract employees were working for..." and here I listed a series of ministers I was told had additional employees working for them even though there was no authorization for that. I will not repeat their names because they are no longer ministers. They are sitting on this side of the House, and it is ancient history. I do not care at this point to drag their names into the open again.

It strikes me as blatantly arrogant of the government that this information was never provided. I think the essential questions I asked, notwithstanding the individual follow-ups on particular ministers, are worth looking at by the Chairman of Management Board because they deal with policy issues and with how the ministers and their parliamentary assistants are getting staff in this Legislature.

On the topic of contract employees, I would ask the minister to provide a list of all personnel companies through which the government of Ontario is hiring part-time and full-time staff. Would the minister provide a list of the moneys paid to each of these companies during the last fiscal year? Would the government inform us whether or not any cost-benefit studies have been done to ascertain if it would be more cost-efficient for the personnel offices of the Civil Service Commission recruitment branch and/or

GO Temp to do the hiring rather than through private corporations? I would ask that the minister table all of those studies.

My colleague the member for Beaches-Woodbine (Ms. Bryden) has some fairly specific questions on GO Temp. Perhaps the minister can answer that set of questions along with the questions the member will be asking.

Another area that the Chairman of Management Board has to look at, probably the most important issue in terms of managerial responsibility, is the whole area of crown corporations. How do we monitor them? How do we keep some control over their expenditures? How do we make them accountable?

Manitoba has made provision for a Department of Crown Investments, which provides direct interface between the government and crown corporations. The department was created in January 1982 and became fully operational in 1983. It includes ensuring effective two-way communication between the government and crown corporations; developing an economic strategy for crown corporations which will maximize overall public corporate investment in the province, in particular at it relates to resource and industrial development; approving the long-term capital budgets of crown corporations, and promoting consistency of management practices and systems within crown corporations, including the definition of effective roles for board appointees.

The political accountability to the government is provided by the economic resource and investment committee of cabinet, and to the Legislature through the public utilities committee, or the committee on economic development. After tabling their annual reports in the Legislature, almost all the crown corporations appear annually before one of these committees.

I suggest to the minister that in this province we have not been able to keep crown corporations accountable. Indeed, the largest one, Ontario Hydro, has been completely out of control and beyond any kind of accountability to the Legislature for years.

The Chairman of Management Board, or perhaps I should say the same minister in her capacity as Minister of Government Services, stated that she could not obtain documents from the previous government related to certain moves and contracts signed in the move of the Ministry of Municipal Affairs and Housing.

Yesterday, in the standing committee on public accounts, I asked the auditor to look into the very questions about which the minister said

she could not get her hands on the information for us. Since the minister is dealing with and talking about an overall program for housing the public service, I would ask that she at least look at the process that went on in the sale of 434 and 454 University Avenue.

11:35 a.m.

In doing that, would she table something which is in her domain; namely, all the leases that have been contracted since 1983 and for which she is now responsible? Can the minister advise which building leases were given up and the value of those leases? Would she advise why the government gave up low-cost leases without any kind of financial remuneration?

On the question of 434 and 454 University Avenue, we have to look at the rationale for the sale. No doubt the rationale that will be given is that the two buildings were old and therefore needed to be retrofitted. It would be interesting to see the projections of how long a period of time the costs were going to be carried on that retrofitting and how that was compared to the cost of giving up these buildings or selling them off.

It also is interesting that when one goes into those buildings, one does not see any major retrofitting by the present owners. If the buildings were in such bad condition that they had to be sold because they were of very little value, why have the new owners not had to do major renovations on them?

The minister mentioned earlier the problem that the previous government had not kept up some of its buildings, including the one we are now in, the Legislative Building. However, it seems to me that if those two buildings were in such deplorable condition that they were falling apart, then surely private enterprise would have had to repair them. There has not been any indication that private enterprise has spent large amounts of money, at least not the kind that would justify the selling off of the buildings for a very low amount and going out and renting office space at the same time.

When one looks at those buildings, one also has to ask, if it was the decision to sell the buildings, why was an application not made for rezoning on those properties. Other buildings in that area were rezoned for a higher density. If one had decided to sell them, it would make some sense at least to rezone them or to make an attempt at rezoning them to get a higher buck for them. From my colleagues who looked into this at city hall, I certainly have no indication that any attempt was made to rezone them.

It would be interesting for the minister to table anything she may have regarding the comparisons between the moving option and the staying option and share that information with us.

I also find it interesting that when we look at the brokerage fee on the sale of these buildings, I understand from contacts I have in the industry that three brokers were given the listing almost exclusively and two per cent was paid for handling those buildings. The downside of this is that at a time when a large number of buildings were on the market and there were vacancies in downtown Toronto, the motivation at two per cent would be only to keep it within the brokerage firms that had obtained the contract.

What I am saying is that if I were an outside broker, it would not pay me to share two per cent with someone else when I probably had a bunch of buildings I was trying to unload and on which I could get a lot higher percentage. There was no encouragement for any kind of interaction among brokers by giving that kind of exclusive listing.

I hope the Provincial Auditor will look at that. I hope he will also look at whether the amount paid was realistic and at how many of these buildings that have been sold by the previous government have subsequently been flipped, with large capital gains going not to the public but rather to the speculators.

It would also be interesting to look at the buildings at 40 Holly Street and 8 York Street. It would be interesting to check into something I understand from some people in the industry, that Holly Street has already been flipped. I hope the minister will not take the attitude, with respect to these two buildings, of saying: "It was simply the previous government. I cannot get access to that."

The way in which the previous government handled real estate had been nothing but shocking. The auditor has already pointed out how figures were rigged or manipulated for self-serving purposes. The minister herself has said she wants reforms. As a first step, she should get on to finding out what mistakes were made by senior people in her ministry on behalf of the previous government, as these may well fall upon her shoulders if they are repeated for the present one.

I compliment the minister once again on her appointment. I trust she is happy I tried to promote her to Deputy Premier on Metro Morning. I am sure she would be a very worthy one.

I had hoped that with the member for York Mills in that role we were going to get some

action and I am sure we would have if she had remained there very long. I hope the present minister will be a little tougher than at least the previous incumbents who were there for more than six or seven weeks, and that we will have a more efficient administration than we have had in the past. Those are my opening remarks.

Hon. Ms. Caplan: I wish to thank the members for Etobicoke (Mr. Philip) and York Mills for their respective comments in response to my opening remarks. They each make constructive suggestions in many areas. Some issues were touched on by both, and I will try a co-ordinated response.

The legislation on freedom of information and protection of individual privacy is a major government program and initiative, for which I am pleased to have the carriage and responsibility for administrative implementation. I would also like to provide some additional information in response to the members' comments.

We are most aware that freedom of information is not only a piece of legislation, but also an attitude. Since August, a small project team established in the Management Board secretariat has been working in conjunction with a council of co-ordinators appointed in each ministry to develop the comprehensive implementation plan.

This plan will include training programs for managers and staff of the Ontario ministries and agencies that will handle the applications and requests for information under the new legislation. The training activity is intended to prepare staff in each ministry and agency covered by the legislation to provide an efficient level of service to the public the moment the legislation goes into effect.

The freedom-of-information project team is also working closely with the Ministry of the Attorney General to ensure that all issues related to successful implementation of the legislation are addressed. We believe successful implementation is the key to this particular piece of legislation and that we should not wait until its proclamation to prepare for that plan.

In addition, and this is of particular interest to the member for Etobicoke, Bill 34 is to be reviewed by a legislative committee following second reading. This will provide an opportunity for examination of the bill by the public, including the numerous associations and groups that have expressed major interest.

The member for York Mills commented on the need to protect the privacy of the individual as a special concern and the issue of confidentiality

involving public servants who provide information and advice to government in the formation of policy and programs. The government's objective is to ensure the privacy of the individual, which is key and fundamental to all legislation, and to protect information and data of a personal nature, which is also fundamental.

11:50 a.m.

This is set out in the proposed legislation in a number of related sections. The factor of confidentiality with respect to public servants who provide advice to government is enshrined in the legislation as well.

Security will be reflected in the policies being developed in support of the legislation. We are actively working on that at this time. Our project team is meeting with all ministries to develop appropriate measures to protect security of data banks and files containing personal information such as medical and financial records of individuals.

I will now turn to the issue of pay equity and comment to the member for York Mills, who mentioned "the portions of pieces of legislation which seem to be extant regarding pay equity," that no legislation has been introduced in Ontario to date. We have tabled a green paper and an option paper for the Ontario public service.

Second, the pay equity or equal value measure that we have in mind is intended, as the green paper clearly states, to address evaluation of women's work only. We do not attempt to determine whether each job in an employer's establishment is correctly classified. This would have to be addressed in an entirely separate project from the one intended.

It is not intended that the rate of a male-predominated job, which for the purpose of this issue we will consider to be properly classified, should be reduced to decrease it to the rate of a female-predominated job of equal value. Such a decrease would have the effect of punishing the occupants of male-dominated jobs to correct the undervaluation of female-predominated jobs, which is not the intention of the legislation.

Miss Stephenson: That is not the question I asked.

Hon. Ms. Caplan: The question was whether rates would be defined.

Miss Stephenson: No. My question was whether, as a result of the examination of jobs, if it was determined that the level of remuneration was higher than it should be for the responsibility contained in a specific job, there would be an adjustment. That is the basis we have to look at.

Hon. Ms. Caplan: That is the exercise of aggregation of the classification system. That is a separate exercise to determine the pay relative to the job. As the member knows, the classification system within the Ontario public service has been under review and negotiation with the unions for some time. That is a separate exercise and, as I mentioned earlier, it is proceeding.

Miss Stephenson: If that exercise is not concomitant with the equal value exercise, there will be a preservation of distortions that may be turned up by the major accommodation, the major results of the study of the aggregates of the classifications that are undergoing review at present.

I am concerned that, on the one hand, we are attempting to resolve one problem, which I doubt very much is going to be resolved by the action that is going to be taken, and on the other hand, we are carrying out a very important exercise, and never the twain shall meet until we have one new one etched in stone before the second one can have any effect.

Hon. Ms. Caplan: As the minister who is technically the employer of the 80,000 Ontario public servants, I hear what the member is saying, but I am satisfied the two do not have to come together. We can have independent exercises. Certainly, it would be better if the classification system had been fully aggregated over the years. The fact that was not done should not and will not hamper the additional exercise under pay equity. I have been assured that one will not prejudice the other.

It is the intention to continue with the classification exercise, to negotiate that with the unions, as is their right, but there is no need to wait for that to be fully completed before we begin on the pay equity exercise. To suggest that is unfair to the many women in the Ontario public service who would benefit from pay equity and who should not be made to wait until that aggregation and classification process is complete.

As the honourable member knows, that has now been under way for some five years in the office administration group. It is my view that while it would be helpful to have that complete and while we are working towards that goal, I do not believe it is good management or fair to the employees to say that must be done and completed first for the entire public service before we contemplate pay equity. That is not the intention of this government.

Miss Stephenson: That is not what I am saying either. I am saying that when one does

either one or both, one should at least make some kind of provision for modification within the decisions that are taken in one or other of the exercises to accommodate them when they do come together, because they will. The minister may not want them to come together at the present time because it may be politically lacerating to have that happen; but if they do come together at any time, as eventually they should, because people are people no matter what their gender, then we have to have some kind of provision within the results to accommodate one study or the other.

Hon. Ms. Caplan: I note the member's comments.

I would have preferred to have had a system that was complete and done. However, I repeat, one can be completed without the other. Second, I would remind the member that because of the rights of the Ontario Public Service Employees Union to bargain classification, it should not impede the progress of the other, nor should it impinge on the rights of the unions to bargain their classifications.

As I have stated, we believe the money required to achieve pay equity will be money well spent. I can assure the member we will not spend more than is required to meet this worthwhile and important objective. I hope this assurance sets the member's mind at rest in this respect. I believe pay equity will be achieved in a cost-effective manner and should be supported by every member of this House.

I also wish to reassure the member that we intend to conduct a survey of group representation within the Ontario public service. This survey will be conducted with the highest degree of sensitivity and with full regard to the concerns represented by the Ontario Human Rights Commission. Our objective is to ensure that the composition of the Ontario public service reflects the social demographics of this province.

We are interested in gathering data on persons with disabilities as defined by the Human Rights Code, on racial minorities and on native people. We also are consulting with the Ontario Human Rights Commission to ensure that we respect the Human Rights Code. We are attempting to gather data that will indicate to us whether or not the composition of the Ontario public service is truly reflective of our society. At this stage, however, we have not set target levels for representation.

I recognize the member's concern that arbitration has become an overly common step in the settlement of salary disputes. To answer her specific question, we have been trying to reduce

the number of arbitrations. During the most recent negotiations, staff of the Civil Service Commission discussed with the Ontario Public Service Employees Union the possibility of one board of arbitration to hear all salary disputes. However, the union insisted on separate boards for each of the 10 disputes. The commission then proposed to the tribunal that only one board be appointed. The union again pressed for the tribunal to appoint 10 separate boards.

While the tribunal did not accept our suggestion in total, we were pleased that it agreed to appoint the same arbitrator for three categories, and two other arbitrators were appointed for each of the other two categories. To an extent, this reflects the kind of grouping the member suggests. We will pursue this objective with the union again this year; discussions to this end should begin shortly.

12 noon

I would like to clarify the apparent impression of the member for York Mills about the government's intention to make the purchase of goods and services more cost-effective and productive. We have no intention of reverting to a centralized procurement system in pursuing our goals. In fact, our objectives are pointed in the other direction.

Co-ordination does not mean centralization. The government's commitment is to more open and accessible government. We intend to make it easier for businesses, especially small companies, to deal with us successfully and to stimulate competition for government business at all levels.

We intend to introduce improved management practices that will generate greater efficiencies in the purchase of goods and services. For example, the survey concerning government travel is intended to develop a better system of obtaining the very best possible rates and discounts for travel services, to benefit from the large volume of total government expenditures on travel. With the approach we are taking now that benefit is not realized.

Further, our plan to establish a central suppliers' list is only one side of a two-way street. The supplier will be able to find out what business is available without requiring a large staff to seek out government opportunities. The ministry staff will be able to determine the range of goods and services provided by all interested companies. I do not think this can be achieved by centralization, and this is not our intention.

The member for York Mills requested details of the government's savings of \$41 million from

the \$181 million committed by the previous government prior to June 26. Details of this measure of our constraint program were contained in a news release issued on July 31 that I have available to table in the House. I have additional copies for the member if she would like one now.

Miss Stephenson: The minister sent me one.

Hon. Ms. Caplan: I did send one, and it is here for tabling.

Major economies included the suspension of a proposed \$30-million repayable loan to assist Petrosar in converting its plant in Sarnia from oil to natural gas and deferment of the purchase of an Ontario Provincial Police twin-engine helicopter at a cost of almost \$3 million. The remaining \$8 million in savings was achieved by suspending a variety of smaller programs.

The member asked specifically about a program relating to the Ontario Science Centre. I am pleased to report on the international science circuses, which are funded through the Ontario Science Centre, and to give details at this time.

The funds were not provided as part of the \$181 million by the previous government between May 2 and June 26; therefore, we did not remove that item. However, an amount of money was originally requested of the Board of Industrial Leadership and Development for cultural marketing; it would have included extensions of exports of the type the member mentioned. No firm commitment was made prior to BILD being eliminated.

Miss Stephenson: There was an approval of a specific amount of money that began as a BILD program and was transferred to the Ministry of Citizenship and Culture. It was not all directed to the Ontario Science Centre. It was also directed to other Ontario institutions, such as the Art Gallery of Ontario and the Royal Ontario Museum.

There was a specific amount related to a transfer to the science centre for the production of the science circus. The marketing portion of that was deleted by BILD because the marketing capability is already contained within government; it is contained within the education services division of the Ontario International Corp. There was no need to duplicate that.

The small amount related to the marketing activity, which I think was of the order of \$1 million, was deleted from the commitment that was made by BILD to the Ministry of Citizenship and Culture for the purpose of allowing our institutions, particularly the science centre, to

develop materials that would be used to distribute Ontario expertise throughout the world.

Hon. Ms. Caplan: The member may recall that funding was provided during the 1984-85 fiscal year—I think that is what she is referring to—for the development of an international circus that was sent to Kuwait.

Miss Stephenson: One.

Hon. Ms. Caplan: One. The government of Kuwait paid for all the travel and exhibition costs. The government of Ontario provided for the development of the exhibits. These exhibits were returned to the Ontario Science Centre at the end of the science circus in Kuwait, and they are available for other international tours.

I understand the Ontario Science Centre is negotiating several potential international tours where all the travel and exhibition costs would be provided by the host countries. I am expecting a submission to Management Board from the Ministry of Citizenship and Culture once the outcome of these negotiations becomes clear.

I am aware of the many benefits of making these exhibits available to other countries, and I am interested in seeing the submission from the ministry when it arrives. I hope that answers the member's questions on that point.

Miss Stephenson: It answers in a very small way the kind of concern I have. I am acutely aware that money was provided to develop the science circus. I am also acutely aware there were at least seven formal and informal requests for the science circus from various countries, including Australia, Japan and various other parts of the eastern world in particular.

I am also acutely aware that the board of the Ontario Science Centre, under Dr. Tuzo Wilson, specifically requested additional funding or a mechanism for allowing the science centre to acquire the funds to permit them to build the foundation of a science circus, the exhibits per se.

They need more than one science circus. I know we got the one back from Kuwait. I know it came back under the kinds of arrangements—

Mr. Mancini: What is the member asking for then?

Miss Stephenson: If the member for Essex South would just listen he might learn something for a change.

Mr. Mancini: I am listening, but I cannot understand why the member asks if she knows the answer.

Mr. Chairman: Order.

Miss Stephenson: I am also painfully aware there could have been distribution of that science circus to four other Persian Gulf states at the time instead of sending it all the way back to Canada, if indeed we had been able to negotiate that, if we had been able to accommodate the requests from Australia and New Zealand at the same time.

What we were trying to do was to provide the means to develop at least two, and perhaps even three, science circuses, which would be available for transmission around the world; that was the foundation of the request and of the allocation that was made.

The allocation, which was reduced by almost \$1 million because of our concern that we did not need the duplication of marketing services, which went to the Ministry of Citizenship and Culture, has not appeared anywhere. I ask the minister to find out whether it has dissipated itself somewhere. I would like to find out where it is. I ask the minister to determine where that money is and what it is doing in place of doing what it was supposed to do.

Hon. Ms. Caplan: I can tell the member it was not part of the \$181 million, but I will see whether I can answer the questions and gather the information she has requested.

I want to answer the questions asked by both members regarding the information on the new directives for hiring of consultants, a topic on which I have spent a great deal of time in the past few months.

As the members will recall from my earlier remarks, the new directives were approved in principle by Management Board in October 1985. All ministries have been given an opportunity to comment on these new directives and guidelines before they are given final approval later this year. I believe this should be a working tool used on a consultative basis with the ministries, rather than something given and imposed without their consultation. I am pleased to report the ministries' responses have been very positive to this initiative.

When I mentioned more realistic spending limits for consultants, I was referring to the size of management consultant contracts that must be tendered and the size of those contracts that require formal approval by Management Board. Basically, the old limits of \$15,000 and \$100,000, which have remained unchanged for close to 10 years, will be adjusted upwards to compensate for inflation and to reflect today's high costs more realistically.

It is also our intention to ensure a realistic delegation to the ministries. The modifications of the limits are increases in the current level of delegation to the ministries. The new directives ensure that along with increased allocations comes a corresponding increase in accountability. This is consistent with the recommendations of the accountability study in this regard. Once the new directives receive final approval in the weeks ahead, I will be more specific about the details.

While it is true, as the member for York Mills has pointed out, that all major management and systems consulting contracts require Management Board approval, it is also true that, in the past, technical consulting contracts were exempt from this provision. Hence, there was a tendency to try to assume a more technical nature in contracts than I felt was perhaps advisable, which tendency my colleagues criticized, I believe quite effectively, while sitting on the other side of the House.

Since many of these contracts are very large, I have taken steps to ensure the new directive explicitly includes the requirement that all major consulting contracts, including technical contracts, will require board approval. Therefore, we see substantially more contracts at the board for review and approval than in the past.

The member for Etobicoke (Mr. Philip) is also concerned with the government's employment of consultants. He makes the very positive suggestion that the government use public servants already on staff rather than outside consultants, whose hiring entails extra cost.

I am pleased to report that this government is already making widespread and effective use of highly qualified civil servants in consulting roles. The expertise is shared between ministries, and Management Board often assists in the secondment, with the advice of the Civil Service Commission. The new directives require each ministry to ensure that qualified staff are sought out before proceeding to acquire outside resources.

I agree with the member that clear guidelines are required with respect to the hiring of former government officials as consultants. However, the issue has two sides that must be considered. On the one hand, former government employees may have an unfair advantage over other potential consultants by virtue of their previous employment and their knowledge of the employees in the department, and because of the nature of the work that is required.

On the other hand, it makes sense in some instances—and I think flexibility needs to be maintained for those instances—to retain a former employee with unique expertise, because that unique expertise would result in considerable savings to the government, rather than attempt to train someone new and give him the knowledge that a former employee may have.

It is important that the deputy ministers have responsibility. They have been cautioned that each use of a former official must bear the closest public scrutiny and that they will be required to substantiate their decisions. Again I stress the accountability of the deputy ministers and the need for flexibility, provided they can substantiate their needs.

When issued, the guidelines to support the consulting services directive will provide many insights into this matter and are intended to assist ministries in making well-informed decisions.

The member for Etobicoke also inquired about the government's actions to ensure proper and efficient use and hiring of consultants. While it is difficult to eliminate all problems in the hiring of consultants, it is our objective to ensure that all our new consulting directives will be sensible, clear and well understood by all who have to apply them. The consulting directives will be supported by extensive guidelines or best practices. In addition, I have requested that special training sessions be held for all ministry staff involved to ensure they thoroughly understand the principles, practices and procedures involved in the hiring of consultants.

I am pleased to inform the member for York Mills that this will be the first in a series of new and updated policies to be issued as part of our plan to revise the existing Manual of Administration as a total step towards improved management efficiency. Our objective is to produce a revised and simplified set of policies—

Mr. Philip: Before the minister gets into that, may I ask a couple of questions on what she stated about the consultants?

One of the problems in the past has been that no matter what policies one had with respect to the consultants, a repeated hiring and rehiring of consultants got around any contract or disclosure requirements. I wonder whether the minister has thought out that problem. In other words, if instead of my being hired as a consultant for \$150,000, I am hired 10 times for \$15,000; it still comes out to \$150,000. There are ways of getting around it. Has the minister thought out how she deals with that?

The other problem I find to be of concern is the use of consultants who were previously people of influence in the government by corporations that are dealing with the government. That was of concern when I was chairman of the standing committee on administration of justice during its Re-Mor/Astra inquiry. The issue was the use of a lawyer, namely, the previous Attorney General and Minister of Consumer and Commercial Relations, in dealings by one company in obtaining certain permits, licences or authorities from the very ministry of which he had been the minister. That kind of thing is as open to abuse, and perhaps even more suspect than the hiring back of former public servants on a consulting basis.

Hon. Ms. Caplan: On the first question the member asked regarding repeat contracts or contract extensions, the answer is yes, I have considered that. We have some proposals that will deal with it, and it is part of the package being distributed to the ministries.

On the question of the hiring of former officials being open to abuse, opening that up to scrutiny and making the deputy ministers and ministers openly responsible and accountable will go a long way to ensuring that clear cases of inappropriate hiring will come to light. The deputies have been informed of how this government views that, and to date they have been very responsive to our requests. In the future, when deputies come before Management Board for accountability sessions that is one of the questions that will be placed on them, along with the whole package on the hiring of consultants and accountability.

Mr. Philip: I do not think the minister understands my second question. I should explain it by giving a few examples. Under the present rent review commission rules, if I were employed as a rent review commissioner I would not be allowed to appear before that body on behalf of either a landlord or a tenant for at least two years. The argument is that I may have undue influence with my former buddies. The federal government has rules. The Interstate Commerce Commission has rules concerning former high-placed employees of the American federal government appearing on behalf of trucking companies or other transport companies in a very obvious way.

It would be absolutely foolish for a company in the securities business not to hire, if he were available, the former Minister of Consumer and Commercial Relations. I have no objection to that or to the former Deputy Minister of

Transportation and Communications being hired in preparing applications before for the Ontario Highway Transport Board.

Where I have some objections is where that person deals directly with that board in the same way any other lawyer does in an advocacy capacity, either by written correspondence or by physical presence, in the making of a representation. That is an issue which this government has not dealt with, except in very minor areas where it became so flagrant it had to do something about it, as in the case of the rent review officers. As an overall picture, we are going to have to look at that.

12:20 p.m.

It may also be that in certain areas the length of time has to be different than it is in other areas. That requires some study. Maybe two years is too long in some areas but in other areas it may well be too short. It is related to the role of the person employed by the private corporation that in some way is dealing with the government or in other ways is dealing with a tribunal of the government.

Hon. Ms. Caplan: The member has raised an interesting question through a series of questions. It is one to which I will give some additional thought and consideration. It is complex. When someone leaves the employ of the government, we have control over whether or not we hire them back, whether they have the expertise this government needs to carry out our business. I will seek to satisfy myself that those questions are answered and give consideration to the points the member has raised.

I would like to go on now. There were many questions asked. I apologize for the length of time, but there were many questions posed. I just wanted to let you know that I am attempting to answer all that were raised by both members.

The updating of the Manual of Administration is what I was referring to. I was saying to the member for York Mills that this will be the first in a series of new or updated policies in our plan to update the Manual of Administration to improve management efficiency.

As the members know, the Manual of Administration has been not so lovingly referred to in the Ontario public service as the "purple peril." It was specifically suggested that it be fewer than 100 pages. I do not know if the new manual can be reduced to 100 pages or fewer, as the member suggested; however, I can say that it is our objective to provide a manual written in concise, clear language, and organized in a practical and easily acceptable format. Our goal is to assist

managers by providing a clear set of policies and useful guidelines.

Volume 2 of the existing manual, which deals with human resource management and personnel administration, is also being reviewed by the Civil Service Commission. A new publication, *A Managers' Guide to Human Resources*, will focus on managers' needs and assist them in managing their people. It will present what managers need to know and what they are required to do from a policy perspective. It will also provide them with the principles upon which that policy is based.

The guidebook will be brief, and written in a style that is readily understandable. The Civil Service Commission anticipates that this volume will be available in the new year.

On the subject of ministers' staffs, I want to assure the member for York Mills that we have a meaningful system for governing staff in the ministers' offices. In addition, I am preparing a comprehensive list of staff in ministers' offices, including all office services available to members, to identify staff hired since July 1, 1985, and their salary levels. This was a question on the Orders and Notices, and the answer will be available shortly.

Mr. Philip: May I interject? In the preparation of the manual for the training of public servants, one of the things the minister might take into consideration is the format used by the British Columbia Ombudsman in his annual report. To his credit, the present and newly appointed—shows how time flies; it was about a year and a half ago—Ombudsman of Ontario, Dan Hill, has adopted this format in his first report that he presented not so long ago. Karl Friedmann managed to identify systemic problems that public servants have generated and gave examples of those systemic problems; in other words, patterns of administration that should be avoided.

In his report, he gives examples of where a particular principle of good administration has been violated. I suggest that kind of format might be useful, if not in the manual itself then at least as part of the training process. What we so often see is that there are patterns, principles and processes that can be avoided, and perhaps they can be identified so that people at least know what the no-noes are. We cannot always make a great manager exclusively by training, but we can sometimes at least prevent any manager from making some of the more glaring errors.

Hon. Ms. Caplan: Let me assure the member that will be one of the techniques we will be

using. He refers to a training process as well; I believe that is very important. As I said before, I think the Manual of Administration, the policies and the guidelines, have to be a working tool. The training and understanding of the principles of those policies, the policies themselves and then the guidelines as to how to do it just become good daily working practice.

It is not something that is sitting on the shelf, considered the purple peril and encyclopaedia-like. Instead, it is just good business practice and the best way the government should be doing business. That requires some behaviour modification—I think this is what the member is referring to—and that comes from the training and other sessions we have planned once the policies are complete.

The other thing is that policy is subject to ongoing review and we have to make sure it is timely and up to date. We have to be able to have that kind of dialogue with the people, using the tools and listening to them when they say “This is not working,” or “This needs updating,” or “We are having a problem with this aspect.” We hope that will not arise, but that is why it is important to have that contact with them. I thank the member for his remarks on that.

The next thing I would like to discuss is the real property review I mentioned in my opening remarks. I stated that a real property review has been undertaken. It is a comprehensive review of our policies and strategies around real property. Evaluation of our property is being undertaken as the first part of a comprehensive inventory of government holdings. It will be the first prepared in Ontario.

When I asked for the inventory I was very surprised to be told there was none. I initiated it as one of the first things I did as Minister of Government Services. With the dual role of that ministry and Management Board, I realized that far more than Government Services had government land holdings and that we should ensure we had a comprehensive inventory of all land holdings.

Our valuation will be based on market or potential market rates and not on the book values of the properties. They will not be overstated, as was suggested in the remarks by the member for York Mills. We anticipate that some of our land will decrease—

Miss Stephenson: Not suggested; just worried about it.

Hon. Ms. Caplan: I am aware of and note the member's comments.

We believe that some of the land holdings will decrease in value and that others will increase substantially, since the land and the buildings have obviously appreciated over time. Ontario owns a lot of land and property and that is why we are taking this inventory. It is also the reason we have initiated the wind-down of the Ontario Land Corp. We are assessing our holdings as the first step towards putting our property to the most efficient use and to obtaining the highest possible return on our investment.

12:30 p.m.

The strategies and policies that will be the end product of our review will govern both the buying and the selling. The bottom line will be more efficient and productive management of those activities, as required.

In addition, the member for Etobicoke asked some questions today relating to the Ministry of Government Services. He shares my philosophy of ensuring that appropriate zonings are in place when we sell. We have that responsibility to the taxpayers of Ontario, recognizing that the Ontario government is not a land developer and should not be competing with the private market.

We should, however, ensure that we get the best return on our land investment for the taxpayers. It is something I have given as a direction to the Ministry of Government Services. In the real property review, zoning will be included in the inventory and at the time when we declare land surplus or when we are looking at the use of land it will be taken into account and consideration.

Some of the other questions the member asked this morning on processes and leases were all about Government Services. I will be happy to share that information with the member if it is available to me. This government is looking to the future. We are not looking to the past, except to learn from the mistakes of the past. In all cases when making a business decision, I have asked for assurance that a business case is presented, whether it is in leasing or acquisition of property. That is my philosophy and principle of doing business.

I hear what the member has to say and I share his concerns. I have great confidence in the advice of staff, but I do seek outside, independent advice as well. I take the member's comments with the consideration he means to convey. Let me assure him that best business practices and cases will be in place in the future, whether in dealing with land or in any other business activity under my direction. The strategies and policies in the real property review will

be a great improvement over the practices of the past.

All sectors of our society today are concerned with the impact of technological advances on people in the work place. This government is totally committed to the principle of the earliest participation of all staff at all levels in the introduction of new information technology in our systems. This commitment goes beyond the involvement of managers and individual staff members to include the Ontario Public Service Employees Union.

For example, on October 22, 1985, Management Board and the Civil Service Commission staff briefed Mr. Jim Clancy, president of OPSEU, on the proposed information technology strategy. We continue to discuss the impact of this technology with the union. I have also instructed staff that new policy directives from both Management Board and the Civil Service Commission should be developed to ensure adherence to the principles of staff and union participation in the technology directions that affect them.

The Civil Service Commission was responsible for co-ordinating an interministerial work group examining human resources and technology implications. Their recommendations have been incorporated in our information technology strategy report.

I would also like to clarify the role being contemplated for the Office of Information Technology, OIT. I smiled when the member for York Mills referred to it the other day because I wondered how many people in this House knew what OIT was when she mentioned it. We get so used to using abbreviations. The member was referring to the Office of Information Technology.

Complex information technology products, methods and services are appearing in the marketplace on a daily basis. This makes it virtually impossible for any single ministry to perform the research and evaluation necessary to ensure the selection of the most suitable products to meet ever-changing program requirements.

Currently, there is no government entity with the mandate to identify and exploit these opportunities. The suggested role of the Office of Information Technology is to provide a co-operative, co-ordinated, government-wide approach to research, evaluation and introduction of new technology products. Among the benefits of that approach are the better use of funds and expert human resources, and—I want to underline this—the ability to transfer technology and

knowledge among ministries so those resources are shared rather than having each ministry even attempt to do its own thing in this very complex field.

We do not see such an office as a control group but rather as a co-operative service to be shared among the ministries. Management Board will be considering the location of the OIT and also the organizational structure, reporting relationship and funding. I have requested that staff prepare a report or business case that fully explores our options and the cost-benefits associated with them. The business case will be examined by Management Board prior to any further action on this initiative.

I acknowledge the advice of the member for York Mills on her opinion about the location of that office. I also acknowledge this initiative was begun long before I arrived and I support the initiative taken by the previous administration and the very able staff at Management Board secretariat.

I am pleased to inform the member for York Mills that the Information Technology Advisory Council has not changed in its composition since she was Chairman of Management Board. Despite his recent retirement from the chairmanship of Northern Telecom, Walter Light continues to share his valuable knowledge and experience with generosity and candour.

I am extremely pleased with the interest and concern shown by all members of this advisory body. We had an almost 100 per cent attendance at every meeting and I would like to take this opportunity to publicly thank all the members of that committee for donating their valuable time and expertise, not only to me but also to my predecessors as Chairman of Management Board.

The member for York Mills expressed concern regarding the location of employee counselling services in the Ministry of Government Services. This unit provides a variety of counselling services in the areas of personnel, medical and vocational counselling. The Civil Service Commission is currently engaged in a strategic planning process which will consider the issue of counselling services and where they should most effectively be located.

I have spoken at length, but I do not have too much more. Time is running on and I want to try to answer all the questions. I have one or two more issues to deal with.

One is the important area of accountability and the comprehensive program review we have initiated. My opening statement indicated that a

successful program review requires ongoing effort, applying different approaches to different activities. I was combining two very important themes.

First, program review should not stop and start. It should be a permanent feature of government operations. Second, there is no best way to approach program review. Sometimes it is best done by a central agency, sometimes by a ministry. Government staff or outside advisers may be appropriate. One can choose between comprehensive or selective reviews. There is merit in and a need for diversity of approach. That is my philosophy on this very important task.

12:40 p.m.

Continuity and diversity of approach are two concepts of program review I linked in principle. Previous program reviews dating back to 1975 seemed to lack continuity or diversity of approach. In our current review, Management Board will combine these principles to achieve the best program review results. As I indicated in my opening remarks, selective reviews will be undertaken. Since the approach is being developed, no ministry or individual program has been specifically selected at this time. Putting it another way for the member for York Mills, we are selecting the programs to be part of our selective review.

I am pleased to inform the members that the review of several major government advertising accounts is currently proceeding under the auspices of the new Advertising Review Board within the policies I introduced in September. These include the appointment of an agency of record and of creative agencies for the Ministry of Tourism and Recreation and the Ministry of Agriculture and Food. I have satisfied myself that the policies outlined at the time I made the announcement of the new policy have been adhered to in total. The process is well under way, and announcements should be forthcoming.

Let me stress again, because of some of the remarks made in question period yesterday, without getting defensive, argumentative or nasty on this subject, that I believe no one should be discriminated against in doing business with the Ontario government because of his political stripe. The results of the ARB will be open to public scrutiny, so people will know the board has not been interfered with in the process and that it has been fair and open in its approach.

In addition to conducting a fair and open competition for government accounts, the Ad-

vertising Review Board will preview proposed campaign themes at the conceptual stage. This procedure is intended to ensure that ministry campaigns are designed to convey information and educational materials of concern and interest to the public effectively and not to do government propaganda, to use the words of the member for Etobicoke (Mr. Philip).

Finally, I will comment on auditing, the role of Management Board and the practices now in place to ensure that recommendations of the Provincial Auditor are acted upon by ministries as required.

My staff at Management Board monitors all Provincial Auditor findings. The public accounts committee also reviews the audit findings in the Provincial Auditor's annual report and questions deputy ministers on their responses to the findings. My staff monitors the meetings of this committee.

The development and prioritization of the ministry's internal audit program is the responsibility of the deputy minister. Management Board provides assistance to ministries through educational programs and methodology development, for example, in developing effective internal audit functions. Internal audit is one of the critical management processes that are considered in the deputy minister's annual performance review. The extent of value-for-money auditing and the results of auditing for compliance with Management Board policies are examined and commitments to any necessary improvements are obtained.

The additional question that was asked today by the member for Etobicoke regarding the list of personnel companies is the subject of an Orders and Notices question that will be answered. We expect it will be tabled early in the new year, perhaps even in January 1986.

The other question that was asked today was about crown corporations. As members know, there was an extensive review by Donald Gracey. His report has been made available, and we are now considering that. I share the concern of the member for Etobicoke about the need to ensure that all government agencies, boards, commissions and crown corporations are accountable for the public funds they expend and the public trust they have.

I thank the members for their attention.

Miss Stephenson: I suppose I have a philosophical—with a question mark—point of view to place, related to information technology and the role of Management Board in ensuring

that it is appropriately instituted within the public service of Ontario.

It seems to me Management Board of Cabinet has not only the responsibility but the capability, and I think it has already been doing this in limited ways and in a more expanded way over the past several years, of providing the kind of consultative service regarding management or the organization and administration of government which is necessary.

The kinds of activities that have been initiated in the past could provide the basis for that improved and enhanced role for Management Board, which would ensure that there is a double layer of examination of the accountability of specific ministries. That was the kind of direction we were beginning to pursue and which I think I hear the minister is continuing to pursue. I applaud that because I believe it is essential.

There is no doubt in my mind that from time to time there were senior members of staff within the public service who did not listen quite as carefully when Management Board analysts were providing the consultative service that they did. On the whole, I must remind members that the number of contracts which were let, aside from the guidelines of the purple peril, the Manual of Administration, were really very small in number compared to the total number that were allocated. Nobody wants any of those to happen. I can share the concern that Chairmen of Management Board have had over the years that there not be any repeat performances.

One of the areas of particular concern was the fact that there were certain ministries in which repeat performances seemed to occur no matter what was said. The means of dealing with that effectively is something which has to be established, not only within Management Board but within the Management Board chairman's consultation with the Premier about the way in which certain activities will carry on.

I suggest there is within Management Board staff at the present the nidus of the appropriate site for and function of the office of information technology. The IT group there is probably one of the most committed and best within the province. I would like to see its role expanded significantly—and I hope the minister will be sympathetic about this—to form the new nucleus of that office of information technology so that acknowledged expertise is utilized effectively throughout the entire public service, not only for its benefit but thereby for the benefit of the people of Ontario.

One other area of activity needs to be pursued with perhaps greater vigour, although it has been suggested that if one looks at the mistakes, errors or repeated concerns mouthed or printed by Ombudsmen, there can be no doubt in anyone's mind that the civility of the civil service is probably one of the matters which comes into question most frequently when one is talking to members of the public about what the public service does in any instance.

On the whole, I think we have an extremely civil civil service in Ontario, but there have been some exceptions in the past. The access program, which attempted to ensure there was a greater degree of civility, was reasonably successful. I hope that program is not only going to be carried on, but totally integrated into whatever training or educational programs are established for all levels of function, not just management, within the public service of Ontario.

Management has the major responsibility to ensure that this attitude of civility is expanded appropriately within its area of function, but it seems to me it is the requirement of the government to ensure that everyone who is a member of the public service understands that is a responsibility of even the lowliest of us. I include particularly, when I am mentioning lowly, the members of the Legislature, who are the direct servants of the public. Therefore, I hope those suggestions might be incorporated.

12:50 p.m.

I would ask one question, because I am still curious about the numbers the minister has mentioned related to her own ministry staff and the comparison with former ministry staffs. I do not understand how the numbers she was given as the staff of former ministers could have been rational. I do not know where the minister got them. I would ask her please to ensure they are clarified and give me some undertaking she will provide the information for which I have asked, specifically related to the staff, the classification and the level of remuneration in the offices of ministers throughout the government.

Hon. Ms. Caplan: I will mention again compliance with all aspects of the Manual of Administration and also auditing. This is an area in which we have put a lot of time and effort to improve the management of the government. The member referred to a couple of things. One was the competence of the information technology group at Management Board. It is not only that group which is a fine example of the highest standards but also the whole of Management Board, the analysts and the staff.

I am not sure; I have not made a final decision on the location for the proposed office of information technology. We are looking at all the options available. However, I am extremely impressed with the quality of the analysts, the staff and the service they provide. That leads me to the comment made regarding another audit function.

There was reference made to, I believe, a controller general similar to the model of the federal government. From everything I have seen at Management Board, it suggests that the expertise is there to gather and provide the ministries with the information to advise on the general management of the government. I am not convinced that a controller general model is required, but it is something I will think about and consider. Certainly, I would be pleased to read the member's paper in some spare time. Once I get it, I would be happy to, if it has not already been sent to the office.

I would like to comment on attitude as well. At the Ministry of Government Services there is a program which deals with attitude; it is on customer service right across government. The member may recall that program. In looking at that program, I felt there were a lot of benefits that could relate and accrue from it that were not being attained. As Minister of Government Services, I am looking at that.

The member referred to the very civil civil service. As I said before, there is a lot of great expertise right across this government. It is extremely important to ensure that the front-line civil servants are properly trained to deal with the people of Ontario. I am looking at that customer service program to see if it can be improved, to ensure that when our civil servants have contact with the public and with each other, they are service-oriented and can improve on those very great techniques they already have.

On the matter of staffing, I am quite surprised at the time we have spent talking about the numbers and the difference in numbers. I have a list of the staff in the office of the former minister on March 31. At that time there were eight on staff. It is my understanding that there were six at the Ministry of Government Services. Eight and six are 14. At this time, my total staff is nine. I anticipate there will be approximately 11 in dealing with the two ministries.

I have the names of the staff if the member wants me to read them out. I do not see what it is going to accomplish, except to tell her that in the functions of Minister of Government Services, Chairman of Management Board and chairman

of cabinet—and I am very happy with the roles and responsibilities I have and I do not aspire to and I am not looking for any additional titles; I thank the member very much for the plug—the staff I have is as overworked as is every member of a minister's staff. They are using their talents and their skills to ensure effective and efficient running of the government.

I am happy to let the honourable member have the list I was given of the numbers of her own previous staff and to assure her that we are carefully monitoring the size of ministers' offices to make sure they have the resources they need to support their function.

Miss Stephenson: Let us finish this one right now. I have never been the Minister of Government Services and I have no idea how many one needs in that staff. I do know that in my office, of the eight staff, three were senior or what were called the kind of senior-list minister's staff, and the rest were support people. Of those three, one moved within the next week of the date the minister mentioned to the Deputy Premier's office to function there with two support people. We actually functioned with five in the Management Board office; so there we are.

Since we now have developed the capacity and had in hand the lists of the classifications, their roles and functions and the level of remuneration of ministers' staff, would the minister please share that with the critics of the opposition parties so we have that information and can forget about this as an argument from here on in?

Hon. Ms. Caplan: I do not consider that we are having an argument, but rather a discussion. If she says she had five, I am satisfied she had five. She also, quite correctly, was not simultaneously the Minister of Government Services. The Minister of Government Services had six; the total number of 11—

Miss Stephenson: I was Deputy Premier simultaneously and that is where the other three staff members went.

Hon. Ms. Caplan: That is right. I will be tabling the list of the members of the ministers' staff in response to the Orders and Notices question. That should satisfy the questions she has asked.

Let me make this point. It is very important to put this to rest, because it is something of which we have not reminded the House in the last little while; that is, this government is running with a cabinet of 22 in total. From the ministers' staff of the previous administration, the reduction is significant in the total number of staff, as was

significant the reduction of the numbers of members of cabinet.

Mr. Gregory: What good is it when they never answer questions anyway?

Hon. Ms. Caplan: The member for Mississauga East (Mr. Gregory) is being humorous. I want members to know that our total number of ministers' staff is significantly below the total number of ministers' staff of the previous administration.

Mr. Philip: We have only two minutes left, but I will take them up. The minister's response to some of the auditing concerns sounds strangely familiar to those provided to her predecessors by the same people. In my humble estimation, it shows a lack of insight into the complexity of the problem. The very fact that it has not worked before suggests to me that the minister, who seems to be genuinely trying to come to grips and has made some important improvements over those of the previous ministers, should try to come to grips with this rather complex problem and realize that the previous system simply has not been effective.

I also suggest she look at the fact that there is a role conflict that involves the deputy ministers. In responding to some of my concerns yesterday in the estimates, the auditor brought out a very important insight that the member for Brantford (Mr. Gillies), a number of members in the standing committee on public accounts and I feel is worth exploring by that committee, namely, that the deputy ministers at times do not seem to know whom they should follow. They get one direction from the secretary of the cabinet, the deputy minister in the Premier's office, another from Management Board and another from their own minister. I think we will have to look at that role conflict.

The Acting Chairman (Mr. Mancini): The member for Etobicoke might want to look at the clock.

Mr. Philip: I will. While this minister may well be a strong minister, there is no guarantee that similarly strong ministers will follow her. There needs to be some consistency in that office. Something such as a controller general would provide that consistency. While ministers change, the controller general would not.

On motion by Hon. Ms. Caplan, the committee of supply reported progress.

ROYAL ASSENT

The Deputy Speaker: I beg to inform the House that the Honourable the Lieutenant Governor has been pleased to assent to certain bills in his chambers.

Assistant Clerk: The following are the titles of the bills to which His Honour has assented:

Bill 57, An Act to amend the Assessment Act;

Bill Pr15, An Act respecting the City of North York;

Bill Pr19, An Act respecting the Belleville General Hospital;

Bill Pr22, An Act to revive 404 K-W Wing Royal Canadian Air Force Association;

Bill Pr24, An Act respecting the County of Elgin;

Bill Pr25, An Act respecting the City of Brampton;

Bill Pr27, An Act respecting the City of Sudbury;

Bill Pr30, An Act to revive Balfour Beach Association;

Bill Pr39, An Act respecting Peterborough Racing Association Limited.

The House adjourned at 1:03 p.m.

APPENDIX A

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

NORTH CLAYBELT SEMINAR

94. Mr. Bernier: Would the Minister of Northern Development and Mines table a full and complete breakdown of the costs of the \$110,000, two-day North Claybelt Seminar held recently in Kapuskasing, which was sponsored by his ministry?

Would the minister also table the following: (1) the number and names of provincial government employees who attended and which ministry they represented, together with details of their expenses; (2) the number and names of all other participants; (3) what costs were incurred by the two consulting firms who participated; their names, their per diem rates and expenses, and what contribution they made to the seminar; (4) a complete report on the results of the seminar, and (5) costs per food, entertainment and other related expenses?

Will the minister also explain why the cost of this two-day seminar (\$110,000) is \$99,000 higher than a similar seminar held five years ago by the then mayor of Kapuskasing, René Piché? [Tabled November 8, 1985]

See sessional paper 271.

INTERIM ANSWER

97. Mr. Philip: Hon. Ms. Caplan—The information required by this question will neces-

sitate a review by all ministries. Accordingly, the information cannot be provided within the normal 14 days. An answer should be available by February 14, 1986.

RESPONSE TO PETITION

AMBULANCE LABOUR DISPUTE

Sessional paper 178, re support of the Welland, Port Colborne and Fort Erie ambulance officers.

Hon. Mr. Elston: With regard to the ambulance strike in Welland and Fort Erie, the Ministry of Health, under the Health Facilities Special Order Act, has suspended the licence of the owner for reasons not related to the strike. The ministry is operating the system pending an appeal by the owner. Those ambulance attendants who were on strike have been offered temporary contracts with the Ministry of Health. Currently, they are back at work and the regular staffing patterns in Welland and Fort Erie have been restored.

The strike in Port Colborne continues. I have requested that the Ministry of Labour attempt to convene a meeting with the parties involved in an effort to reach an agreement.

APPENDIX

ALPHABETICAL LIST OF MEMBERS*(124 members)

First Session, 33rd Parliament

Lieutenant Governor: Hon. L. M. Alexander, PC, QC

Speaker: Hon. H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC

Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
 Ashe, G. L. (Durham West PC)
 Baetz, R. C. (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
 Bennett, C. F. (Ottawa South PC)
 Bernier, L. (Kenora PC)
 Bossy, M. L. (Chatham-Kent L)
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breaugh, M. J. (Oshawa NDP)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Callahan, R. V. (Brampton L)
Caplan, Hon. E., Chairman of the Management Board of Cabinet and Minister of Government Services (Oriole L)
 Charlton, B. A. (Hamilton Mountain NDP)
Conway, Hon. S. G., Minister of Education (Renfrew North L)
 Cooke, D. R. (Kitchener L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cordiano, J. (Downsview L)
 Cousens, W. D. (York Centre PC)
 Cureatz, S. L. (Durham East PC)
Curling, Hon. A., Minister of Housing (Scarborough North L)
 Davis, W. C. (Scarborough Centre PC)
 Dean, G. H. (Wentworth PC)
Eakins, Hon. J. F., Minister of Tourism and Recreation (Victoria-Haliburton L)
Edighoffer, Hon. H. A., Speaker (Perth L)
Elston, Hon. M. J., Minister of Health (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Eves, E. L. (Parry Sound PC)
 Ferraro, R. E. (Wellington South L)
 Fish, S. A. (St. George PC)
Fontaine, Hon. R., Minister of Northern Affairs and Mines (Cochrane North L)
 Foulds, J. F. (Port Arthur NDP)
Fulton, Hon. E., Minister of Transportation and Communications (Scarborough East L)
 Gigantes, E. (Ottawa Centre NDP)
 Gillies, P. A. (Brantford PC)
 Gordon, J. K. (Sudbury PC)
 Grande, T. (Oakwood NDP)
Grandmaître, Hon. B. C., Minister of Municipal Affairs (Ottawa East L)
 Gregory, M. E. C. (Mississauga East PC)
 Grier, R. A. (Lakeshore NDP)
 Grossman, L. S. (St. Andrew-St. Patrick PC)
 Guindon, L. B. (Cornwall PC)
 Haggerty, R. (Erie L)
 Harris, M. D. (Nipissing PC)
 Hayes, P. (Essex North NDP)
 Henderson, D. J. (Humber L)
 Hennessy, M. (Fort William PC)
 Jackson, C. (Burlington South PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
 Johnston, R. F. (Scarborough West NDP)
Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy (Niagara Falls L)
Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services (Kingston and the Islands L)
 Knight, D. S. (Halton-Burlington L)
Kwinter, Hon. M., Minister of Consumer and Commercial Relations (Wilson Heights L)
 Lane, J. G. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
 Leluk, N. G. (York West PC)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Mancini, R. (Essex South L)
 Marland, M. (Mississauga South PC)
 Martel, E. W. (Sudbury East NDP)
 McCaffrey, R. B. (Armourdale PC)
 McCague, G. R. (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McFadden, D. J. (Eglinton PC)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
 McNeil, R. K. (Elgin PC)
 Miller, F. S. (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Mitchell, R. C. (Carleton PC)
 Morin, G. E., Deputy Chairman of Committee of the Whole House (Carleton East L)

Morin-Strom, K. (Sault Ste. Marie NDP)
Munro, Hon. L. O., Minister of Citizenship and Culture (Hamilton Centre L)
 Newman, B. (Windsor-Walkerville L)
Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue (Brant-Oxford-Norfolk L)
 O'Connor, T. P. (Oakville PC)
 Offer, S. (Mississauga North L)
O'Neil, Hon. H. P., Minister of Industry, Trade and Technology (Quinte L)
 Partington, P. (Brock PC)
Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental Affairs (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Pierce, F. J. (Rainy River PC)
 Poirier, J. (Prescott-Russell L)
 Pollock, J. (Hastings-Peterborough PC)
 Polsinelli, C. (Yorkview L)
 Pope, A. W. (Cochrane South PC)
 Pouliot, G. (Lake Nipigon NDP)
 Rae, R. K. (York South NDP)
 Ramsay, D. (Timiskaming NDP)
 Reville, D. (Riverdale NDP)
 Reycraft, D. R. (Middlesex L)
Riddell, Hon. J. K., Minister of Agriculture and Food (Huron-Middlesex L)
 Rowe, W. E. (Simcoe Centre PC)
 Runciman, R. W. (Leeds PC)
Ruprecht, Hon. T., Minister without Portfolio (Parkdale L)
 Sargent, E. C. (Grey-Bruce L)
Scott, Hon. I. G., Attorney General (St. David L)
 Sheppard, H. N. (Northumberland PC)
 Shymko, Y. R. (High Park-Swansea PC)
 Smith, D. W. (Lambton L)
 Smith, E. J. (London South L)
Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development (York North L)
 South, L. (Frontenac-Addington L)
 Stephenson, B. M. (York Mills PC)
 Sterling, N. W. (Carleton-Grenville PC)
 Stevenson, K. R. (Durham-York PC)
 Swart, M. L. (Welland-Thorold NDP)
Sweeney, Hon. J., Minister of Community and Social Services (Kitchener-Wilmot L)
 Taylor, J. A. (Prince Edward-Lennox PC)
 Timbrell, D. R. (Don Mills PC)
 Treleaven, R. L., Deputy Speaker and Chairman of Committee of the Whole House (Oxford PC)
 Turner, J. M. (Peterborough PC)

Van Horne, Hon. R. G., Minister without Portfolio (London North L)
 Villeneuve, N. (Stormont, Dundas and Glengarry PC)
 Ward, C. C. (Wentworth North L)
 Warner, D. W. (Scarborough-Ellesmere NDP)
 Wildman, B. (Algoma NDP)
 Wiseman, D. J. (Lanark PC)
Wrye, Hon. W. M., Minister of Labour (Windsor-Sandwich L)
 Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental Affairs
 Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue
 Conway, Hon. S. G., Minister of Education
 Bradley, Hon. J. J., Minister of the Environment
 Caplan, Hon. E., Chairman of the Management Board of Cabinet and Minister of Government Services
 Fontaine, Hon. R., Minister of Northern Affairs and Mines
 Scott, Hon. I. G., Attorney General
 Riddell, Hon. J. K., Minister of Agriculture and Food
 Eakins, Hon. J. F., Minister of Tourism and Recreation
 Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy
 O'Neil, Hon. H. P., Minister of Industry, Trade and Technology
 Sweeney, Hon. J., Minister of Community and Social Services
 Elston, Hon. M. J., Minister of Health
 Wrye, Hon. W. M., Minister of Labour
 Grandmaître, Hon. B. C., Minister of Municipal Affairs
 Curling, Hon. A., Minister of Housing
 Fulton, Hon. E., Minister of Transportation and Communication
 Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services
 Kwinter, Hon. M., Minister of Consumer and Commercial Relations
 Munro, Hon. L. O., Minister of Citizenship and Culture
 Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development

Van Horne, Hon. R. G., Minister without Portfolio
 Ruprecht, Hon. T., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Cordiano, J., assistant to the Minister of Colleges and Universities (Downsview L)

Epp, H. A., assistant to the Treasurer (Waterloo North L)

Ferraro, R. E., assistant to the Minister of Industry, Trade and Technology (Wellington South L)

Haggerty, R., assistant to the Minister of Government Services (Erie L)

Henderson, D. J., assistant to the Minister of Community and Social Services (Humber L)

Mancini, R., assistant to the Premier (Essex South L)

McGuigan, J. F., assistant to the Minister of Natural Resources and the Minister of Energy (Kent-Elgin L)

McKessock, R., assistant to the Solicitor General and Minister of Correctional Services (Grey L)

Miller, Mr. G. I., assistant to the Minister of Agriculture and Food (Haldimand-Norfolk L)

Offer, S., assistant to the Minister of Consumer and Commercial Relations (Mississauga North L)

Poirier, J., assistant to the Minister of the Environment (Prescott-Russell L)

Polsinelli, C., assistant to the Minister of Labour (Yorkview L)

Reycraft, D. R., assistant to the Minister of Education (Middlesex L)

Sargent, E. C., assistant to the Minister of Tourism and Recreation (Grey-Bruce L)

Ward, C. C., assistant to the Minister of Health (Wentworth North L)

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General government: chairman, Mr. McCague; vice-chairman, Mr. Dean; members, Messrs. Epp, Hennessy, McKessock, Poirier, Pouliot, Swart, Villeneuve, Ward and Wiseman; clerk, T. Decker.

Members' services: chairman, Mr. J. M. Johnson; vice-chairman, Mr. Lane; members, Messrs. Laughren, Mackenzie, McKessock, G. I. Miller, Mitchell, Poirier and Rowe; clerk, D. Deller.

Ombudsman: chairman, Mr. McNeil; vice-chairman, Sheppard; members, Messrs. Baetz, Bossy, Hayes, Henderson, Morin, Newman, Philip, Pierce and Shymko; clerk, T. Decker.

Procedural affairs and agencies, boards and commissions: chairman, Mr. Breaugh; vice-chairman, Mr. Mancini; members, Mr. Bossy, Mrs. Marland, Messrs. Martel, McCaffrey, Morin, Newman, Sterling, Treleaven and Warner; clerk, S. Forsyth; assistant clerk, T. Decker.

Public accounts: chairman, Mr. Eves; vice-chairman, Mr. Runciman; members, Messrs. Ashe, Cordiano, Epp, Gillies, Leluk, Philip, Polsinelli, D. W. Smith and Wildman; clerk, F. Carrozza.

Regulations and private bills: chairman, Mr. Callahan; vice-chairman, Mr. Offer; members, Ms. Bryden, Messrs. Cousins, Grande, Haggerty, McGuigan, G. I. Miller, Pollock, Turner and Yakabuski; clerk, D. Deller.

Resources development: chairman, Mr. Laughren; vice-chairman, Mr. Ramsay; members, Messrs. Barlow, Ferraro, Gordon, Hayes, McGuigan, Rowe, D. W. Smith, South and Stevenson; clerk, D. Arnott.

Social development: chairman, Mr. R. F. Johnston; vice-chairman, Mr. Allen; members, Messrs. Bernier, Davis, Epp, Guindon, Jackson, G. I. Miller, Offer, Reville and Reycraft; clerk, L. Mellor; assistant clerk, D. Deller.

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Economic Affairs: chairman, Mr. D. R. Cooke; members, Messrs. Andrewes, Cordiano, Ferraro, Hennessy, Knight, Mackenzie, McFadden, McGuigan, Morin-Strom and Mr. Taylor; clerk, D. Arnott.

Energy: chairman, Mr. Andrewes; members, Messrs. Ashe, Charlton, Cureatz, Gordon, Mrs. Grier, Messrs. Haggerty, McGuigan, McLean, Sargent and Ward; clerk, F. Carrozza.

Environment: chairman, Mr. Knight; members, Messrs. Brandt, Charlton, Ms. Fish, Mr. Gillies, Mrs. Grier, Messrs. Haggerty, Poirier, Sargent, Shymko and South; clerk, T. Decker.

Health: chairman, Mr. Callahan; members, Messrs. D. S. Cooke, Cousins, Ms. Gigantes, Messrs. Henderson, Mancini, Partington, Pierce, Reycraft, Miss Stephenson and Mr. Ward; clerk, D. Deller.

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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Official Report of Debates

Legislative Assembly of Ontario



First Session, 33rd Parliament

Monday, December 9, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, December 9, 1985

The House met at 2 p.m.

Prayers.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Rae: Mr. Speaker, I would like to be able to raise a matter of privilege with respect to comments that were made in the House on Friday by the Minister of Industry, Trade and Technology (Mr. O'Neil). I would like to give you notice of that fact and to indicate that, as soon as the honourable minister is in the House, I would appreciate being recognized by you, sir, and being allowed to make that point. I do not think it would be appropriate or fair of me to raise it until then. I see the minister is coming into the House now, Mr. Speaker, so perhaps you will hear me.

It is with a sense of the importance of undertakings that are given in this House to other members that I raise this matter. You will no doubt recall the exchange I had with the Minister of Industry, Trade and Technology on a supplementary asked by the leader of the official opposition. I said to the minister at that time, "We have had enough of serious consideration from the minister; what we want are guarantees."

I do not want to give my entire question. Its thrust was: "Can the minister give the House a guarantee today that unless those conditions are met the Urban Transportation Development Corp. will not be sold?" The minister is quoted thus in Hansard: "Hon. Mr. O'Neil: Yes, I will give the member that guarantee."

Later on in the day, as is frequently the case, the minister was questioned outside this House by members of the press gallery. He was asked questions at the same time as the Minister of Transportation and Communications (Mr. Fulton) and was accompanied apparently by an official called David Fulford, who is working for Mr. Kruger, who works in the capacity of a deputy minister in the Premier's office.

I have a tape I would commend to all honourable members who missed Abbott and Costello in their younger days of the answers that were given by the Minister of Transportation and Communications and the Minister of Industry, Trade and Technology. In contrast to the undertaking the minister gave me in his answer in

this House, I want to refer to two comments that were made.

One was made by the Minister of Transportation and Communications, who said, "It would be irresponsible to state here in a public way, with negotiations currently under way, to respond to that specific question of yours." He said in the same statement, "I think it would be irresponsible to make any statement that we can guarantee that not one job will not change."

The Minister of Industry, Trade and Technology, who, after all, was the minister in question, having heard this statement made by the Minister of Transportation and Communications that in his view it would be irresponsible to make that kind of undertaking in the House, then went on to say that "in stating that in the Legislature, maybe I should not have said that. I would be definite on that.... We hope that that is the way, how it will come." Later he said, "I would say that for me to give a definite guarantee, yes, possibly I was too quick in saying that, but again I hope that we can maintain all those things that were asked for."

As a member of the assembly asking for an undertaking from the minister, I was purely and simply misled by the answer the minister gave with respect to government policy. He stated to me categorically, without any qualifications, without use of the words, "I hope," or any such phrase as, "Yes, I will give the honourable member that guarantee," with respect to four criteria clearly set out in my question.

The minister then qualified that and changed the statement outside the House, such that I feel the remarks he made inside the House were misleading and misled me as a member. In that technical sense, I feel my privileges as a member of the House have been affected and I move that the matter be referred to the appropriate committee of the House.

Mr. Speaker: Does the minister have any comments?

Hon. Mr. O'Neil: Yes. I thank the member for his comments. I know I made that comment in the House, but when I went outside the House, I realized there was no way I could make these guarantees clearly as I did within the Legislature. In the free market system, any jobs and work are going to be based on the number of contracts that

company would have and jobs are going to be dependent upon that.

I can only say that no deal has yet been entered into. Any deal will be accepted only on the condition that it will depend on the maintenance and enhancement of the Urban Transportation Development Corp.

Mr. Grossman: With respect, when both opposition parties raised this issue on Friday, the Minister of Industry, Trade and Technology did respond as the member for York South (Mr. Rae) pointed out. In addition, I remind members that it could not have been a surprise to the minister that this issue was to be raised on Friday. In other words, he clearly had two or three hours to prepare his answer to what was obviously going to be the leadoff question from both parties in this House.

In that circumstance, the concerns raised by the member for York South with regard to all our privileges have to be taken seriously. Nothing in the answer just given by the Minister of Industry, Trade and Technology relates at all to what happened on Friday and why an answer was given to us at about 10:20 a.m. and a different answer given to the media at about 11:10 a.m. That is the issue the member for York South has laid on the floor.

I suspect we might want to chat further about UTDC, and the merits of what is or is not happening, when we get to question period. The question of privilege has not been addressed by the minister; an explanation with regard to Friday's statements or misstatements has not been offered. I want to rise to support the request of the member for York South.

2:10 p.m.

Hon. Mr. Nixon: It is obvious the minister who just spoke gave an answer outside the House based on reconsideration. There was no opportunity to raise the matter again here. The leader of the New Democratic Party raised it before the minister even came into the House today. If it is the will of this House that it go to the standing committee on procedural affairs and agencies, boards and commissions for a review, we have no complaint about that; but surely this is a matter of policy and of difference of opinion on the basis of debate which can be dealt with in question period, in estimates or in legislation.

If members want to send it as a matter of some sort of deliberate misrepresentation or problem with being misled, no one in this House doubts for a moment the bona fides of the minister or that he is as committed as any member here or any citizen in the province to doing what is right for

people working for any industry, including those that are owned or controlled by the government of Ontario.

If the House decides to send it to committee, I personally think that is inappropriate. However, if that decision is taken, I suggest it flies in the face of what should happen here, that is, a good, healthy and strong debate on important issues such as this. We are available to do that. I suggest to the rather precious leader of the NDP that he avail himself of that opportunity.

Mr. Speaker: I have listened very carefully to the member for York South and to others. This was brought up as a matter of privilege. I am somewhat hesitant in deciding immediately whether this is a point of privilege and whether it comes under the privileges that are set aside for all members of the House. I would ask the House's indulgence while I give this a little more thought and come back with a ruling, because the member did place a motion before the House.

BOARD OF INTERNAL ECONOMY

Mr. Speaker: I inform the House that I have laid upon the table a copy of an order in council appointing Ernie L. Eves, MPP, as commissioner to the Board of Internal Economy in place of Milton Edward Charles Gregory, MPP.

STATEMENTS BY THE MINISTRY

ETHYL CARBAMATE GUIDELINES

Hon. Mr. Kwinter: It is my understanding that today the federal Department of National Health and Welfare will announce the establishment of federal guidelines limiting the amount of ethyl carbamate in alcoholic beverages. I am informed that these limits are to be as follows: table wines, 30 parts per billion; fortified wines, which are sherries and ports, 100 parts per billion; distilled spirits, 150 parts per billion; and fruit brandies and liqueurs, 400 parts per billion.

Apparently, the federal government has determined the need for four separate guideline levels rather than for one all-encompassing level as a reflection of significant differences in the consumption of each of these types of beverages. It is my understanding that when the announcement is made, these guidelines will come into effect immediately. Furthermore, it is expected that the federal government intends to take regulatory action to delist provisions for the use of urea as a yeast food. These regulations are to be published shortly in part I of the Canada Gazette.

My officials have been in contact with the federal government to ascertain the details of both the implementation and the monitoring

systems the federal government intends to put in place concerning the new levels of ethyl carbamate. Once we have been fully apprised of the details of the federal government's initiative, we will respond accordingly.

As honourable members are aware, the judicial inquiry concerning the matter of ethyl carbamate in alcoholic beverages begins its hearings today. The first item to be considered by the inquiry, as set out in the terms of reference, was to "inquire into, determine on an interim basis and report as soon as possible on a permissible level of ethyl carbamate in liquors, and then to further inquire into, determine and finally report on a permissible level of ethyl carbamate in liquors"—and I underscore this—"provided that no standard for a permissible level is set by a federal authority prior to the interim or final reports required hereby."

The honourable members will recall that when I announced the judicial inquiry to the House on November 7, 1985, on the advice of our medical authorities, we set a level of 500 parts per billion. This was a temporary measure until the inquiry could advise us of more permanent guidelines.

We will now await the advice of Mr. Justice John Osler, the commissioner, as to how the federal government action affects the judicial inquiry's instructions to set interim and final levels for ethyl carbamate. Pending clarification, my officials are standing by to take the necessary action to react to and comply with the federal initiative. I will continue to monitor the situation.

In any event, the judicial inquiry would, of course, proceed to examine and make known its results relating to the other matters in its terms of reference.

HANSARD RECORD

Mr. Timbrell: On a point of order. Mr. Speaker: You will be aware that because of other events I have not been in the House much in the past month or so. On reviewing the answers given to questions I posed in this House on October 29, I find a discrepancy between the Instant Hansard and the official Hansard which I beg you to investigate.

Specifically, I draw your attention to the fact that in answer to a question I posed to the Treasurer (Mr. Nixon) regarding housing matters, he indicated the following on page L-1440-1 of Instant Hansard, "There will be \$6 million put into this program during the remaining five months of this fiscal year and \$16 million during the next fiscal year.

Mr. Speaker, when you look at the official Hansard for that same date on page 1165, the whole of that sentence is deleted. I beg the Speaker to investigate how that happened, how a complete sentence of substance in answer to a question from an opposition critic has been deleted in its entirety from the official record.

Hon. Mr. Nixon: I am glad the honourable member had something to do while he was lying on the beach. I can assure him I never edit Hansard when it comes to me, even when they want grammar corrected, and that is very frequent. I simply throw those things out. I can assure the member if that was deleted, it was done inadvertently and not by the Treasurer or anyone in the Treasury.

Mr. Speaker: We cannot debate this. Does the member have another point of order?

Mr. Timbrell: No, Mr. Speaker. I only conclude by asking you to investigate. I impugned no one's motives. I only ask you to investigate. Once we know how it happened, I may have more to say about it at that time.

Mr. Speaker: I will certainly review the matter.

ORAL QUESTIONS

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: I have a question for the Minister of Industry, Trade and Technology. Our party now has obtained details of a letter of intent to make an offer, apparently signed by Bombardier, to either Mr. Kruger or the Urban Transportation Development Corp.

Can the minister confirm that letter exists and that it contains no job guarantees, no suggestion of a guarantee of technology and no guarantee to maintain the research and design staff in Ontario?

Hon. Mr. O'Neil: I can assure the member that no offers have as yet been signed. I can assure him nothing at all has yet been signed or accepted.

2:20 p.m.

Mr. Grossman: This House is finally entitled to some answers from the minister on this deal. He now has had all weekend to be briefed by John Kruger and his staff. We want to know about our information that a letter of intent to negotiate or make an offer has been signed by Bombardier to UTDC. Does the minister know the answer to that question? If the answer to that question is yes, we want the details of that letter.

Hon. Mr. O'Neil: Let me tell the member that any offers that come in from any Canadian company will be scrutinized very carefully. No offer or letter of intent will be accepted if it does not meet—

Mr. Grossman: Is there a letter? Yes or no?

Hon. Mr. O'Neil: There is discussion going on between ourselves and that company.

Mr. Grossman: Is there a letter?

Hon. Mr. O'Neil: There is a letter. However—
Interjections.

Hon. Mr. O'Neil: The member knew last week there were people we were talking to; so why is he so surprised at a letter?

Mr. Grossman: I probably knew before the minister did.

Mr. Speaker: Order.

Hon. Mr. O'Neil: Let me finish. Before any offer is accepted or finalized, the conditions the Premier (Mr. Peterson) asked for when the de Havilland sale was made will be looked at. No offer will be accepted unless it contains these things: (1) preservation or expansion of employment level, (2) preservation or expansion of existing engineering design and research and development staff, (3) maintenance of manufacturing operations and (4) the benefit of retaining Canadian interest in the company.

Anyone can submit a letter, but no offer will be accepted unless those four conditions are part of it.

Mr. Rae: My supplementary is for the minister with the rubber guarantees. Can he give us his categorical assurance in the House today and when he steps outside, before he gets hijacked by various civil servants and his colleagues who are not here today, that it is the intention of the government that any proposed sale of UTDC will be referred to the Legislature for final approval?

Hon. Mr. O'Neil: I will have to be a little careful with that one today, I guess.

I can understand the honourable member standing up today and asking that question. I did give that definite guarantee on Friday. However, after reflecting on it and going back to the orders—in other words, business and jobs are based on orders, and if we do not have orders, we do not have jobs—I have to say, as I have just said to the Leader of the Opposition, any offer that comes before this government to be looked at, will cover the four things I just mentioned. Jobs are the most important thing we look at.

Mr. Grossman: This is terrific.

The minister may not realize this yet, but there is no reason why this House should have any faith in his assurance that those things will “be looked at.” In view of that, when the leader of the third party and I come over to observe the details of the de Havilland agreement, which the minister did not know about a week ago, perhaps at that time he will share with us, and through us with the public, the letter of intent that has been signed by Bombardier. Will he be kind enough to do that this afternoon?

Hon. Mr. O'Neil: The letter of intent is something that has been sent to the government. The government is looking at it. No final decision has been made—

Mr. Grossman: Can we have the letter?

Hon. Mr. O'Neil: I have said to the member that no final offer has been made or accepted. If he wants the letter, he should go to them and ask for the letter.

Mr. Grossman: The minister will not give us the letter. No walls, no barriers and no letter; we cannot trust the government.

Mr. Speaker: New question.

Mr. Grossman: Perhaps we will ask John Kruger for the letter, and if we get a copy, we will share it with the government.

Mr. Speaker: Order. A question to which minister?

Mr. Grossman: I have another question for the same minister.

On Friday, the minister said, “I can confirm that no foreign buyers have been talked to.” That is what he said in this House on Friday. Subsequently, John Kruger told John Borley on CFTO-TV that two foreign firms had been talked to. Can the minister attempt to clarify that discrepancy? Also, in view of the fact that 21 letters were sent out to prospective purchasers, would he be willing to table the list of those 21 people who were written to and tell us exactly which foreign buyers responded?

Hon. Mr. O'Neil: I have been told that, as far as discussions are concerned, we have talked to only two Canadian companies so far. If they have received calls from non-Canadian companies, I am not aware of them. I was told we have talked to only two Canadian companies.

Mr. Grossman: In this open government, with no walls or barriers, would the minister be kind enough to table for us the list of 21 companies that were written to by the government or by someone on behalf of the govern-

ment? Will he state whether any reference was made in the letters to those prospective purchasers about job guarantees, research and development or maintenance of the Ontario plants? Can he share that with us this afternoon?

Hon. Mr. O'Neil: As I have told the Leader of the Opposition, no offer has been accepted—

Mr. Grossman: I did not ask that. Is the minister going to table the letter?

Hon. Mr. Bradley: Wait until he has answered. Sit down and wait until he has answered.

Some hon. members: Sit down.

Mr. Speaker: Order.

Hon. Mr. O'Neil: As I have told the Leader of the Opposition, no offers have been accepted and no offer will be accepted unless those conditions are met.

Mr. Rae: There is a basic question here. Not only did the minister indicate in this House on Friday that he was guaranteeing jobs, which guarantee he has now withdrawn, repudiated and reneged on, but he also stated, "I can confirm that no foreign buyers have been talked to." Would the minister not agree with me that an appropriate understanding of that phrase would be that no contact, no correspondence and no exchange of letters had taken place on the government's part with foreign contractors?

Hon. Mr. O'Neil: As I mentioned to the Leader of the Opposition, I am aware that only two Canadian companies were talked to.

Mr. Grossman: It will be interesting to see what the Minister of Transportation and Communications and the Premier have to say to Premier Bennett when they are out in Vancouver later this week to cut the ribbon at the opening of the Urban Transportation Development Corp. operation in Vancouver. It will be interesting to see what they have to say.

Mr. Speaker: Question.

Mr. Grossman: I want to ask the Minister of Industry, Trade and Technology—because we are going to ask him until he answers the question—is he willing to table the list of 21 prospective purchasers who were written to and is he willing to table the letter that was written by the government? Yes or no?

2:30 p.m.

Hon. Mr. O'Neil: Again, I can say to the member that I will check into those requests and see whether they can be fulfilled.

Mr. Rae: I want to ask the minister what is perhaps the prior question; that is, can the minister please explain to the House why the

government is falling over itself to get rid of an asset that many of us feel is valuable, that was profitable last year and that is engaging in state-to-state, government-to-government relationships in terms of foreign trade? Can the minister please explain why the blind rush to sell off Urban Transportation Development Corp. in the first place?

Hon. Mr. O'Neil: I guess I have to come back to my previous statement that no offers have as yet been accepted, and it may end up that UTDC may not be sold.

Mr. Rae: This is the most bizarre way to conduct public business I think I have ever seen in my life. Is the minister not aware of the report on agencies, boards and commissions started by the present Leader of the Opposition, the member for St. Andrew-St. Patrick (Mr. Grossman), when he was Treasurer? I am sure the minister is aware of the criteria set out in that report with respect to privatization. Is he prepared to tell us in the House today which of the criteria set out in the Gracey report have moved the government to want to privatize UTDC? Is he prepared to table today all documents within his ministry and within Mr. Kruger's office with respect to the decision to let UTDC be put on the auction block and obviously sold at fire-sale prices by the government?

Hon. Mr. O'Neil: Again, I have to say to the honourable member that no offer has been received and no decision has been made yet.

Mr. Grossman: I was going to ask whether an offer had been accepted yet. I want to ask the minister as simply as possible, did the letter sent out by Mr. Kruger or whomever say to the prospective purchasers that jobs will have to be guaranteed?

Let me use the minister's words; let me rephrase it for him. He said in his statement before question period today, in response to the issue raised by the member for York South (Mr. Rae), that "maintenance and enhancement of UTDC"—whatever that means; it does not mean job guarantees—"would be required." Were those words contained in the letter sent out to the 21 prospective purchasers?

Hon. Mr. O'Neil: I might say I have not seen the letter that was sent out. That matter comes under the Minister of Transportation and Communications, but I will say to the honourable member and reiterate what I just said a few minutes ago, it does not matter what offer comes in, no offer will be accepted unless those conditions are met.

Ms. Fish: The minister does not even know what is in the letter. How does he know what is going to be accepted? He is obviously not in charge.

Mr. Speaker: Order.

Mr. Rae: I am asking a very simple question of the minister. Letters have gone out. The Premier has made speeches about why UTDC should be sold. He made a speech at the Conference Board of Canada over the summer indicating the number of crown corporations up for sale. My question to the minister is a very simple one: Why?

Hon. Mr. O'Neil: As I say, I can only remind the member I have not seen that letter. I do not know what is in the letter, but I can assure him again that no offer will be accepted unless those conditions are contained.

Mr. Rae: I am going to make it even simpler. I am not talking about letters. I am not talking about documents that either have been seen or have not been seen. I am asking the minister to tell me why, in the name of goodness, the government is so determined to put up for sale a crown corporation that maintains jobs in Kingston and Thunder Bay and that has done a good job for the people of this province? Why are they so determined to sell it? That is all I am asking.

Hon. Mr. O'Neil: I guess one of the things that will be taken under consideration is that if it can be sold to a private concern that can run it properly and guarantee these things we are asking for, we feel it is better in private hands than it is in public hands.

Mr. Rae: I hope the minister explained all that to Bob Kaplan when he was here on Friday. My subsequent question is, why does the government think that?

Hon. Mr. O'Neil: Because I guess it is always our feeling on this side that things can be better run by the private sector than by the public sector. The member may not agree with that.

Interjections.

Mr. Speaker: Order.

Mr. Grossman: I can see it now: "Rae Supports Government That Disposes of Crown Corporations."

Hon. Mr. Bradley: Where does the Leader of the Opposition stand?

Mr. Breaugh: Come on down.

Mr. Speaker: Order. I remind the members that they are taking away time from other members wishing to ask questions during this period.

Hon. Mr. Nixon: Give it to him, Larry.

Mr. Grossman: I would give it to him, I would say to the Treasurer (Mr. Nixon), but no offer has been received.

I want to ask the Ministry of Industry, Trade and Technology to try to give us one answer today; that is, perhaps to move to a different tack, we are trying to figure out who is in charge.

We regret that the Premier, who was scheduled to be in the House this afternoon, for some reason has not appeared in the House to help the minister through this mess; we were looking to him or the Minister of Transportation and Communications, but they are not here this afternoon.

What we would like to know is this: Mr. Kruger has not told the minister anything about the transaction. Why is it that Mr. Kruger has not yet met with the board of UTDC to tell them what he is up to?

Hon. Mr. O'Neil: I guess Mr. Kruger has been in charge of the matter, and he is the one who has been negotiating looking for a buyer; so it is his decision.

Mr. Rae: We have a Minister of Industry, Trade and Technology who cannot give us some very basic answers. I would like to ask the minister my final question in this round. Will he give us the assurance in the House today that the government will table and make public all correspondence with respect to UTDC and that he will come to the House with whatever offer has finally been made and be prepared to stand in this House and justify his decision and stand by whatever decision the House comes up with according to an all-party resolution on the decision to sell UTDC?

Hon. Mr. O'Neil: This House will be able to scrutinize any deal.

HOUSING POLICY

Mr. McFadden: I have a question for the Minister of Housing. We have information that the minister is proposing to introduce legislation that will take away tenants' rights to public hearings in relation to rent hikes. Will the minister confirm or deny that?

Hon. Mr. Curling: I deny that.

Mr. McFadden: I am very pleased to get such a definite answer. It is the best one we have had from the government in the past week.

Hon. Mr. Scott: It was a good question.

Mr. McFadden: Exactly.

We have heard for several months that we should expect amendments to the Residential

Tenancies Act, various proposals for housing, etc. We have not heard of anything yet. Will the minister now be forthcoming with the House and tell us exactly what he is proposing to do to relieve the air of uncertainty that currently exists for tenants and for landlords as well?

2:40 p.m.

Hon. Mr. Curling: I thank the member for the question. As the members know and as the member has said, in his leaks he has heard that some of these things are happening in our policy. I know his expectations are high and our policy will be out very soon. The member will be very impressed and I am sure I will have his support in the forthcoming housing policy.

EMISSION DISCHARGES

Mrs. Grier: I have a question for the Minister of Energy and Minister of Natural Resources. It has been alleged in the press that he is obstructing proposals that are currently before cabinet for a severe reduction in acid gas emissions. Can the minister tell the House if he supports the reductions of Ontario Hydro's acid gas emissions to 175,000 tons by the year 1990?

Hon. Mr. Kerrio: I would suggest that if anyone is trying to drive a wedge between the Minister of the Environment (Mr. Bradley) and the Minister of Energy, they are wasting their time, because I concur with what that gentleman is attempting to do and that is to reduce the acid gas emissions. I shall do everything in my power to help him achieve that reduction.

Mrs. Grier: I am very relieved to hear the minister's answer. May I then remind him that during the election campaign the Premier promised that within six months of taking office we would see the strictest possible controls on acid gas emissions. Can I take it from the minister's answer we will see those in place before December 26?

Hon. Mr. Kerrio: I can give no such guarantee. I can only suggest that anything the member has heard that happened at cabinet level certainly will not be discussed here. As the former Premier, the Honourable William Grenville, said, the business at cabinet level is one in which people are allowed, very properly, to share with each other their concerns on both sides. The ultimate answer and determination is going to be made in the best interests of the environment and the people who use electricity in this province.

Ms. Fish: I heard the minister reply that in general he supports reduction of acid gas

emissions, but I did not hear him answer the question. Does he specifically support the reduction of acid gas emissions beyond the 50 per cent reduction provided and to the specific tonnage noted by my colleague to the left? Does the minister specifically support that additional reduction by Hydro; yes or no?

Hon. Mr. Kerrio: I do not propose to discuss that specifically here today. We are very properly charged with making important decisions here in this government. We have to answer to the people of Ontario for the decisions we make. We make them very properly in cabinet. My friend the member for St. Catharines (Mr. Bradley) is allowed to put forward his position as it relates to his ministry. I also can put forward my reasons for sharing some concerns in various directions and I tell the members the ultimate goal will be achieved. We will reduce acid rain and provide economical power for the people of this province, something the members opposite failed to do.

EMERGENCY FACILITY

Mr. Gillies: My question is for the Minister of Health and it concerns the ongoing saga of the Willett Hospital in Paris. My question to the minister revolves around the fact that he has now had on his desk since August 17, Dr. Noonan's report pointing out the inadequacies of the emergency department at this hospital, an emergency department that lacks a blood bank, lacks adequate laboratory facilities and lacks 24-hour X-ray facilities.

The minister has now had more than three months to look at this report. Will he be recommending that his ministry upgrade this emergency facility, or will he, through his continued inaction, perpetuate a most unsatisfactory and unsafe set of circumstances?

Hon. Mr. Elston: I thank the honourable gentleman for the question. Of course, we have inherited this set of circumstances from a previous day. It just so happens that we moved to have people go in there to do an analysis of a situation that has caused us some concern.

It also so happens that I have been to that fair city to take a look at that hospital. I have indicated our determination to work with the community to help undo some of the problems that have grown over the years. I have been there and I have had conversations with the board and with the public. We are working to undo some of the difficulties that have been allowed to develop from previous years.

Mr. Gillies: The minister's party has made a political football out of this hospital for years, and now he has the opportunity to do something about it. Members of the board of that hospital are resigning; the doctors in the county are in an uproar. There is widespread suspicion that the minister went down to Paris on October 31 to close that emergency, and that a person or persons unknown in his government instructed him not to do so.

I would say to the minister—

Mr. Speaker: Order. Would you ask the minister, not say?

Mr. Gillies: In view of the increasing number of complaints about inadequate treatment and about delays in treatment in that emergency ward, will he act now either to upgrade that facility so the community can have confidence in it or to go through with the recommendation of his own ministry support and close it?

Hon. Mr. Elston: I was very clear when I visited that fair town on October 31 that I was not going to close that emergency department. In fact, when the honourable member stands up here and suggests that I should close this facility, I will never go along with him. I will defend that emergency for that town. I told them on October 31 I would do that. I will not accept the suggestion of the member for Brantford (Mr. Gillies) that I close the facility.

I have been down there to speak to the community about a facility that requires a lot of attention and a lot of sympathetic work to try to get it back into a condition where it meets the needs of the people of the community. I have received a lot of input from the people in that community who want to work together with the Ministry of Health to ensure quality care in that community, and I am going to do that. In fact, I am looking at ways to allow that community to develop a response to a very local need that I feel has been overlooked for many years.

Mr. Gillies: On a point of privilege, Mr. Speaker: The minister in his answer misrepresented what I said. He knows he did. I would suggest, in the light of the minister's answer, that if you consult Hansard, you will find that I said to the minister that he should upgrade the emergency or take the actions his ministry recommended. I did not say it should be closed and he knows it.

Mr. Speaker: Order. I would appreciate it if members would show a little more respect for the chair. I will look at it, however, with all the shouting going on, I could not hear the question or the answer.

2:50 p.m.

CHILDREN'S AID SOCIETY

Mr. R. F. Johnston: I will try to ask this question as quietly and as calmly as I can. The question is for the Minister of Community and Social Services and it has to do with the Kenora-Patricia Child and Family Services, a much troubled organization over these past years, an agency taken over by the ministry and put in trusteeship almost two years ago. As of last Wednesday it is now on strike.

The minister is in direct control of that children's aid society. How is it that, like none of the others in the province, it was allowed to come to a strike situation as we approach Christmas and nothing has been done to resolve the situation in Kenora?

Hon. Mr. Sweeney: I would make a slight correction to the member's comments. This ministry has returned the Kenora-Patricia children's aid society to a local board. There are three people directly running that facility. The ministry is not directly running it.

Second, the evening before the strike was actually called, my ministry staff had an all-night bargaining session. During that period, in addition to the basic four per cent which was offered to everyone else in the province, there was a five per cent merit increase put on the table. It was our understanding that was to be accepted. However, at about 6 a.m., the representatives of the employees came back and asked that a \$3,000 cash payment also be put on the table. This had not been part of the original negotiation and the representatives of the employer simply could not accept that.

As the member has indicated, we are concerned with the way in which the Kenora children's aid society has been operating over the years. It is under review once again, and frankly I think there are going to have to be some changes in organization and structure there, but in the meantime the request was totally unacceptable.

Mr. R. F. Johnston: I have to correct the record. Indeed, there are two people left on that board. There is no other board in the province that is a two-member board. The minister is responsible. It does not represent the community. Even when it was a disaster and it was taken over two years ago, it had 11 people on the board. The minister is directly in control and he must know that the major stumbling blocks are not money stumbling blocks at all. They are to do with things like the total rights of termination and

discharge that are there in the power of that board at the moment.

Mr. Speaker: Question.

Mr. R. F. Johnston: The minister knows it is in trouble and I ask what is he doing specifically to bring that to a quick resolution. I have not heard that yet. What is the minister doing?

Hon. Mr. Sweeney: I would very much like to see the employment difficulty of the Kenora children's aid society resolved as quickly as possible. In the meantime, we have brought other workers in to be sure that the services to the children are not disrupted. In the final analysis, a settlement must be negotiated between the employees and the employer board. I have no intention whatsoever of honouring the \$3,000 request that was put on the table at the last minute. In my judgement, it was not a proper bargaining process.

ONTARIO-QUEBEC TRADE

Mr. Bennett: My question is to the Minister of Industry, Trade and Technology. I think all of us in the province were delighted last week to see the new Premier of this province and the new Premier of Quebec getting together to review some of the situations that affect both of us. The publicity given to it indicated there was an excellent relationship and they were going to build some bridges of better understanding and communication.

For some time we have had difficulty in working between Quebec and Ontario regarding the exchange program of workers. I trust someone took the opportunity to brief the Premier before he went to meet with Mr. Bourassa. Did this minister take the opportunity specifically to brief his Premier regarding the problem we are experiencing where construction workers from Quebec have the right to come and work in this province but a reciprocal program does not apply to construction workers from Ontario wishing to work in Quebec? Did the minister take the opportunity to brief the Premier on that point? If so, does he have an answer?

Hon. Mr. O'Neil: Part of the negotiations that have been going on in regard to the free trade matter, not only with Quebec but also with all the other provinces, have dealt with interprovincial trade barriers. I am aware of the problem the member raises. It is an issue about which the Premier and the Prime Minister will have ongoing discussions to see if some of the interprovincial trade barriers cannot be corrected. The labour problem the member mentioned is just one of those.

Mr. Bennett: This problem has gone on for a lengthy time. After all the hoopla involved in the meeting last week between the two Premiers and all the comments made by our Premier about how successful the meeting happened to be, surely to goodness the minister can answer the question directly.

Was the question raised with Premier Bourassa? If so, was a positive answer given, particularly in relationship to the workers in eastern Ontario? There is not a member in this House who cannot attest to the fact that we have been through this problem for a period of years. Yes or no?

Hon. Mr. O'Neil: This problem has been around for many years. It was around for all the years the members opposite, their Minister of Labour and their minister responsible for trade, were dealing with it. With a Liberal government in Quebec, I can assure them there will be a much closer co-operation. That is one of the issues we hope will be dealt with and solved.

NURSING HOME DEPOSITS

Mr. D. S. Cooke: Does the Minister of Health support the policy at Tecumseh, Riverside, Essex and Blenheim nursing homes whereby the owners of the homes, Docherty Family Management, asked for \$1,000 deposits for all residents who have the copayment paid by Green Shield or other insurance carriers?

Hon. Mr. Elston: I am not aware of that program at this time. If I could have the details, I will make a response to the member when I have a chance to review that program.

Mr. D. S. Cooke: I brought this matter to the minister's attention in an open letter written in October. He wrote a letter to me on October 21 defending the nursing home policy. I have the letter here. His ministry staff is fully aware of the matter and the letter is signed by the minister. He points out in the last paragraph that it is appropriate; that, after all, when the residents are discharged from the home they get their deposit back.

Will the minister change his position on this and make sure that the policy of these nursing homes, the same ones that put user fees in place for electrical appliances, is changed so that older people in this province are no longer abused, as this owner has done consistently?

Hon. Mr. Elston: I misunderstood the point of the question earlier. I will take a look at that letter again and apprise myself of the details before I give a complete response. I know the deposit is returned, but I am examining all the

questions with respect to the introduction of extra charges for these individuals, particularly up-front charges, which concerns me a great deal.

The honourable member knows I have responded to those issues. I did not relate his question to a response that had been obtained earlier. I am looking at those types of programs, as the member well knows. He and I have talked about this on many occasions and I am looking at what can be done.

I have recirculated a memo the ministry developed in 1983 and early 1984 requesting that certain very specific pieces of advice be given to any of the residents in the homes who are asked to get into such contractual arrangements. The member understands I have a serious concern about this. I apologize for not connecting his first question. I will address that issue in more detail later.

3 p.m.

COURTHOUSE FACILITIES

Mr. O'Connor: I have a question for the Attorney General. At a recent \$200-per-person cocktail party in Windsor, as reported in the *Globe and Mail* this morning, the Attorney General stated that Windsor was high on the list for a new courthouse facility. If the people of the city of Hamilton were to hold a \$200-a-head cocktail party for the minister, would he ensure that the desperate state of the new unified family courthouse facility would be placed on his list to be given the priority he indicates is available to Windsor?

Hon. Mr. Scott: I thank the member for his question. I can tell him what he probably already knows, or he would not have asked me the question. The unified court in Hamilton is higher on the list for a courthouse than any other community in Ontario but one and its courthouse will be provided during this fiscal year.

Interjection.

Hon. Mr. Scott: North Bay is third. Do not worry about it.

The city of Windsor, along with a number of other cities in Ontario which have not had adequate courthouse work done for about 20 years, is in dire straits. I told the people of Windsor that when I was there. I regard the Windsor project as one that has been very long delayed and to which we should give whatever attention we can. There are so many neglected courthouses in Ontario, however, that the list is a long one.

Mr. O'Connor: The minister will be aware that because of the conditions of the Hamilton

courthouse facility, the ministry has been taken to court with respect to the situation by the Ontario Public Service Employees Union, some of whose workers are employed in the courthouse facility.

After entering into minutes of a settlement, the Supreme Court of Ontario has ordered—and the ministry has agreed—that certain remedial work be undertaken and completed by the end of this year, December 31, three weeks from now. Failing that, Mr. Justice Gray indicated that the ministry may be cited for contempt.

Is the minister prepared to complete this work by the end of this month or, alternatively, to accept the consequences of a contempt citation which could conceivably result in his having to serve time in jail?

Hon. Mr. Scott: Before I was elected to come here, I used to read the daily *Hansard* and noticed that when the ministers of the crown of that day were asked a question like that, they would immediately say "sub judice." I have been a lawyer for many years and I did not know what that meant, but apparently it meant one did not have to answer any questions.

I am quite prepared to answer the member's question. I think the answer is that it is true the previous government was sued, as he has said, and that certain terms were imposed on us by the court. We intend to do all we reasonably can to provide what we think is necessary in the way of courthouse facilities in Hamilton and Windsor.

Mr. D. S. Cooke: Will the Attorney General promise this House that he will not do what an Attorney General in the former government did, which was to make a commitment to Windsor that we would get new courthouse facilities and never deliver on that promise?

Hon. Mr. Scott: I hope not to be forced to make any commitments I cannot keep.

COURT CLERKS

Mr. Ramsay: I have a question of the Attorney General. As the minister knows, the town of Kirkland Lake has now been without a small claims court clerk for five months. I realize the difficulty he has in obtaining a court clerk because of the way the pay structure is based upon the amount of claims processed by that court.

Part of the reason is that the maximum of the small claims court of \$3,000 that applies to Metro Toronto does not apply to other jurisdictions, \$1,000 being the amount. Would the minister consider raising the amount in the other jurisdictions to \$3,000, so that small business-

men can process larger amounts and also so we can give a decent salary to court clerks?

Hon. Mr. Scott: I thank the member for his question. He is quite right in that the \$3,000 limit has been applied in Metro Toronto and has not yet been applied in other parts of the province.

The reason is that in order to achieve the limit of \$3,000 across the province, it involves a very substantial expenditure in terms of appointment of judges, the construction or leasing of courthouse facilities and retaining of staff. We are currently looking at a system in which the \$3,000 limit can be phased in across the province.

I agree with the member that it is very important because the court clerks in those districts need the \$3,000 limit to provide an ample supply of work for them. We have it very high on our list of things to do.

Mr. Ramsay: I appreciate the time these amendments may take. In the interim, would the minister consider changing the structure of pay in these other jurisdictions outside Metro, possibly based on a salary, so we can attract the proper individuals to do this job and so these courts can continue to operate?

Hon. Mr. Scott: If the member can wait for about 10 days, he might have an answer to his question in relation to Kirkland Lake. I will be glad to notify him in advance, if I can, of any announcement that will be made in that regard.

Mr. O'Connor: Is the minister not aware that by increasing the level in the small claims court to \$3,000, the saving affected in the district court system by taking away from that system all the cases between \$1,000 and \$3,000 would much more than offset the increase in cost to the small claims court system, because it costs so much more to process a case at the district court level, with lawyers, judges, sheriff's officers and all the additional costs of that system?

Hon. Mr. Scott: That would not happen at all. The cost at the district court that we cannot get rid of is the cost of the federally appointed judges and the administration associated with them. What will be required if we extend the \$3,000 limit to the other parts of the province is the appointment of a substantial number of provincial court judges. There will be no saving in the district court system to offset that. There will be the same number of district court judges, who perhaps will have more available time. There will be no saving of the kind the member suggests.

EMISSION DISCHARGES

Ms. Fish: I have a question for the Minister of Northern Affairs and Mines. The minister will be

aware that as part of the implementation of the February 1985 federal-provincial agreement to reduce acid gas emissions in this province by 50 per cent, Inco, as one of our major industrial sources of acid gas emissions, has voluntarily agreed to reduce its acid gas emissions by 50 per cent by 1994 or, to put it another way, has agreed to reduce its acid gas emissions from 700,000 tons to 350,000 tons per annum. Does the minister support any reduction in excess of the proposed target of 50 per cent or 350,000 tons of acid gas emissions?

Hon. Mr. Fontaine: I remind my honourable friend that the name has been changed to the Minister of Northern Development and Mines.

My ministry believes in a co-operative solution in which the Ontario government demonstrates its willingness to go an extra mile towards seeking a solution to the acid rain problem. This matter is currently under review by the cabinet and there will be an announcement soon.

M. Villeneuve: Il nous semblerait que le ministre ne nous a pas répondu s'il irait au-delà des 50 pour cent qui avaient été prévus originellement. On nous dit qu'il y a un certain conflit au sein du Cabinet. Pourrait-il nous expliquer s'il a l'intention d'obtenir d'Inco une promesse de réduire au-delà de 50 pour cent, parce que la pluie acide, la pluie vinaigreuse qui tombe dans l'Est ontarien vient en majorité de la région du Nord de l'Ontario.

L'hon. M. Fontaine: Je tiens à remercier mon ami de Stormont, Dundas et Glengarry. Premièrement, quant aux chiffres, il faut savoir que c'est dans les mains du ministre de l'Environnement (M. Bradley). Notre position est de négocier avec la compagnie. Présentement, on l'a débattu dans le Cabinet. Cela va se régler là. Notre proposition, on l'amènerait ici comme une loi.

3:10 p.m.

M. Rae: J'aimerais avoir une réponse très simple à ma question. Est-ce que le ministre approuve le point de vue du ministère de l'Environnement sous les conservateurs, où le ministère a dit tout simplement que si la compagnie dit que tout ce qu'on pourrait réduire c'est 50 pour cent, alors là, nous l'acceptons? Ou est-ce qu'il a une politique différente qui veut dire que c'est le gouvernement lui-même qui doit établir une réglementation de la pluie acide pour protéger l'environnement et pour protéger l'emploi à l'avenir?

Est-ce qu'il prône la même politique que le Parti conservateur, ou est-ce qu'il suit une

politique qui est plus dure face aux problèmes de l'environnement?

L'hon. M. Fontaine: En réponse à mon honorable ami, c'est ce qu'il a vu dans les journaux, c'est ça qu'il doit comprendre que la manière dont on voit ça, on est plus dur que d'autres gouvernements.

M. Martel: C'est la même chose.

M. Rae: C'est la même chose. Rien n'a changé.

L'hon. M. Fontaine: Où est le changement? La réponse est que tout est prêt à négocier. Il aura la réponse en temps et lieu. C'est tout.

Mrs. Grier: I have a question for the Minister of the Environment. In September, when he was speaking to the pulp and paper industry about acid rain, he said:

"I warn you that acid rain has the potential to destroy your industry. It can kill your raw material and perhaps poison the very earth it grows on. Do not underestimate the gravity of your situation. Acid rain has the ability to dissolve the economic value of Ontario's forests."

Those are strong words. Given the strong support for the reduction of acid rain emissions he received today in reply to my question to the Minister of Energy and Minister of Natural Resources (Mr. Kerrio), can he assure the House that the very stringent controls he has allegedly placed before cabinet will be put in place before the end of the year?

Hon. Mr. Bradley: First of all, I appreciate the member quoting from a very significant speech, which was made some time ago and to an appropriate forum, those who are receiving the effects of acid rain. I can assure the member that since I became the Minister of the Environment, I have been working hard, along with officials of my ministry, in discussing with the various emitters and with interested environmental groups the best possible way to meet our commitment to reducing by 50 per cent from the 1980 base the emissions of sulphur dioxide in Ontario and, going beyond that particular commitment, to have reductions that would be even more significant than that.

I assure the member I am working to ensure that such an announcement of a program comes at the earliest possible opportunity.

Mrs. Grier: Do I take it from this response then that the minister is prepared to assure the House that the limits of emissions that will be placed upon Inco will be greater than the

voluntary limits it had agreed to under the previous government?

Hon. Mr. Bradley: I want to assure the member, who I think asks an appropriate question, that the final package will be one that even she will applaud when it is announced.

Ms. Fish: Will the minister impose, by order or otherwise, an order against Inco to reduce its acid gas emissions to a level of less than 350,000 tons? Put another way, will he require that it reduce its acid gas emissions by more than 50 per cent?

Hon. Mr. Bradley: As the member would know, Inco announced during the election campaign, or just before it, that it would voluntarily come down to some 350,000 tons. That was the target it was setting for itself, and it is a very ambitious target.

However, I indicated after that announcement that I would be looking for significant reductions in all potential emissions coming from the various sources across the province, including Inco, over and above what was committed or agreed to by the previous government. I think the member will agree when she sees the package that is developed and announced that it will be more ambitious, more environmentally sound and more acceptable than the one her government was prepared to put forward.

TOBACCO TAX

Mr. Sterling: I have a question of the Minister of Health. The task force report on smoking for the Ontario Council of Health of 1982 said, "It has been well documented that cigarette consumption goes down when the price of cigarettes goes up and vice versa." In view of the fact that the impact of this would be even greater on the young people of our province, how can the minister support the lifting of the ad valorem tobacco tax, which in effect will decrease the price of a package of cigarettes by some 17 or 18 cents, if the present tobacco law is overturned by the Treasurer (Mr. Nixon)?

Hon. Mr. Elston: I think on principle the Liberal Party can very well support the idea that tax increases ought to be adjudicated in this assembly. From a standpoint of overall government policy, that is a very enviable position to take. I support the position that all taxes imposed ought to be up front and studied and understood by the public.

In relation to the question which deals with the initiatives with respect to smoking, we have followed with some interest the program of the federal government, which has now embarked

upon an advertising campaign. We congratulated them on the feeling they are trying to do something with respect to reducing smoking, particularly among young people. We do not happen to feel those are the only initiatives.

We feel statistics which indicate that lung cancer has become the number one killer of women, for instance, overtaking deaths as a result of breast cancer, are the types of statistics that will encourage people to adopt better lifestyles. I think that in itself will start to address the question the member would like us to address. We both are genuinely interested in reducing the incidence of lung cancer, which is obviously connected to smoking.

Mr. Sterling: In view of the fact that such a tax, which is now the law, would bring in revenues of about \$130 million to this province, might even have saved our triple-A credit rating and, most important, as pointed out by the task force report, would save many dollars in terms of taking care of the health of many people of the province and save lives in the province, would the Minister of Health urge the Treasurer to amend the Tobacco Tax Act to fix the level of taxation on tobacco at the present ad valorem rate on the price of tobacco as it is today? Why not treat tobacco consumers the same as gas consumers?

Mr. Speaker: Order. The question has been asked.

Hon. Mr. Elston: I am sure the Treasurer will have taken note of the urgings of the member for Carleton-Grenville. I think the primary concern of the Minister of Health has to be that we take steps to ensure there is a change in lifestyle that will contribute to better and more healthy living patterns by the young people in the province. We are doing those things.

We are working through the office of health promotion to gear up to provide answers to the questions a number of young people have about lifestyle and we are working along with that. As far as the Treasurer is concerned, I know he pays very close attention to the representations of all members, and the member's will certainly be of interest to him, I am sure.

Mr. Speaker: The time for oral questions has expired.

Mr. Warner: I had an excellent question.

Mr. Speaker: We shall be here tomorrow.

PETITION

ANNUAL REPORT, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Mr. Grossman: I wish to table a petition which reads: "Under the provisions of standing order 33(b), we, the undersigned, request that the most recent annual report of the Ministry of Transportation and Communications be referred to the standing committee on public accounts in order to discuss the potential sale of the Urban Transportation Development Corp."

3:20 p.m.

MOTION

COMMITTEE SITTINGS

Hon. Mr. Nixon moved that the select committee on energy be authorized to meet following routine proceedings on Thursday, December 12, 1985, and that the standing committee on administration of justice be authorized to meet on the afternoon of Wednesday, December 11, and on the morning of Thursday, December 12, 1985.

Motion agreed to.

INTRODUCTION OF BILL

PUBLIC VEHICLES AMENDMENT ACT

Mr. Martel moved, seconded by Mr. McClellan, first reading of Bill 73, An Act to amend the Public Vehicles Act.

Motion agreed to.

Mr. Martel: This bill would prevent school bus passengers from standing in the aisles while the bus is in motion. Subsection 23(1) of the act now reads, "No driver or operator shall allow passengers to ride on the fenders or any other part of a public vehicle other than the seats thereof, except that a vehicle may carry as standing passengers in the aisles thereof not more than one third the number of persons for which seats are provided." This bill would eliminate that practice and make it safer for kids.

RESPONSE TO PETITION

Hon. Mr. Nixon: I wish to table the response to a petition presented to the House, sessional paper 243 [see Hansard for Friday, December 13].

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES,
MANAGEMENT BOARD OF CABINET
(continued)

On vote 501, ministry administration program; item 1, main office:

Mr. Philip: I would like to speak later. I will give way to the member for Beaches-Woodbine, who has some specific questions on a matter I touched on earlier.

Ms. Bryden: I would like to discuss briefly with the minister some problems that have arisen with the government's temporary help service, known as GO Temp. I do not know whether she has had time since taking office to go into this service in great detail, but I will draw her attention to what appear to be some defects in the system.

We probably all know that GO Temp was started some time ago as an attempt to save the government money and to provide the opportunity to pay better wages for temporary help by eliminating the middlemen in the commercial temporary help field. However, the system as developed by the previous government has a number of defects that should be looked at.

It was used by the previous government to camouflage the figures on the size of the civil service, and this is something that should not be allowed. They tended to boast that they had reduced the number of permanent civil servants, but they failed to announce how many GO Temp employees, Office Overload employees and other temporary help personnel had been added at the same time. One thing we need is better statistics on the use of temporary help in the government service, from both GO Temp and outside commercial help services.

It is very obvious from the conditions of work for GO Temp employees that they are second-class employees. They do not get any benefits, except what are provided by statute, such as four per cent vacation pay and, if their term is long enough, Canada pension plan deductions. I submit that if the government wishes to attract good-quality temporary help and if it expects them to work side by side with permanent employees for considerable periods, it should provide benefits for them comparable to those received by permanent civil servants, but on a pro rata basis.

It should be possible for a temporary employee to accumulate a number of hours in the service of the government and to earn benefits on the basis of the hours accumulated and ultimately to qualify for contributions to pension funds if enough hours are accumulated. The government

is saving money by hiring GO Temp people for long periods and not providing them with benefits. This is very unfair to those employees and does not make the government look like a good employer.

I point out that GO Temp employees have no seniority as far as assignments go. They have no way of finding out when or which assignments become available so they perhaps can put in for them. As a result of those assignments not being publicized in any way, there is always the possibility or the suspicion that it will become a patronage system and that the best assignments will go to friends of the government or to friends of the people who fill the assignments. This is something we must avoid and make it a more open system so that people know what sort of vacancies occur.

I have heard that some GO Temp employees have been employed by one minister for as long as two or three years. Surely, if a job is required for that length of time, the creation of a permanent position would be justified. Certainly, one who serves that long in a position is entitled to full benefits.

I have been told, for example, that the employment training branch, which was in the Ministry of Colleges and Universities and which recently has been switched to the Ministry of Skills Development, has had nothing but temporary or contract staff for the past three years or more and has no permanent employees at present, although this is the branch that administers our apprenticeship program. I do not think that program is going to go out of business and, therefore, there should be a filling of the complement in that particular branch with permanent employees, not a continuation of this temporary filling of positions, in most cases with no benefits to those employees.

3:30 p.m.

I understand GO Temp employees do not always receive the same rate of pay increase as is put through for permanent civil servants on a regular basis. Either they receive less or they may receive it at a later date, which are two ways the government is saving money on those employees, some of whom may have been employed and working beside permanent employees for two or three years. This is an unfair way of treating long-term GO Temp employees, but even short-term ones should be entitled to the same pay increases at the same time as permanent civil servants.

What is equally serious is that there is no encouragement or incentive given to ministries to

use GO Temp instead of outside commercial temporary help agencies. I am told the ministries are charged eight per cent to cover the vacation and statutory holiday pay for any GO Temp person on payroll. When they go to the outside agencies, such as Office Overload, the agency pays these items. Management Board of Cabinet, which operates the GO Temp service, should absorb this cost in the same way the outside agencies do and not require the ministries to put up the cost and thus provide a disincentive for using GO Temp. When we provide benefits on a pro rata basis for GO Temp employees, Management Board should also pay for those benefits to remove any incentive to go outside or to contract out this work.

It should be put into the Manual of Administration that a ministry cannot use an outside agency unless there is absolutely no employee on the GO Temp rosters who can fill the job. I know the minister may say, "GO Temp employees now have the opportunity to apply for any competitions within the civil service, even if they are marked 'restricted' in the ads." While this is a benefit to them, I understand there has not been very much movement to accept their applications for positions.

The fact they have worked in the government for many years should be a plus. They know the ropes and can be more efficient in finding other information for people who call, but there does not seem to be any very great acceptance of their applications for the restricted positions. It may be they need some additional training, but in many cases they probably need a lot less training than the person coming in from outside to fill a nonrestricted position.

I suggest that the minister give us much better statistics on how GO Temp employees are used, with a breakdown between male and female and a breakdown between ministries, showing the cost of using temporary help, whether it is from GO Temp or outside agencies, and comparisons with the previous year so we can know what is happening in that situation.

If we are going to have a temporary help service, it should be one of which the government can be proud. What I am asking is that it provide fair wages and benefits and that it be used so the employees have some incentive to stay and provide high-quality service.

Hon. Ms. Caplan: The GO Temp employees are maintained on a registry and assigned to work. They have the choice about whether they wish to accept it. Restricted competitions are not open to GO Temp employees, open ones are.

There has been a request in the past, in particular from the Canadian Association of Temporary Services, that the government not run a GO Temp operation at all and that it be privatized. In the five and a half months I have been Chairman of Management Board, I have been considering my own view on this.

I believe the GO Temp employees are unique. Many are former civil servants, some are declared surplus employees, and the opportunity to work through GO Temp is a benefit to them. There are exchange students, summer students and members of the public seeking jobs in the Ontario public service who see this as a way to gain experience and knowledge of how the government works. Government enumerators are trained through GO Temp. The handicapped program is also run through GO Temp.

GO Temp provides a special service for both the ministries and the employees. The ministries are not required to use GO Temp services, and I do not agree with the member that they should be forced to. If anything, the competition is good for GO Temp, and the service it provides should stand the test of that competition.

I previously announced that regular part-time employees in government service now receive full benefits, but that is very different from the employees who work for the government through the GO Temp agency. It is my understanding that GO Temp employees are on contract for a maximum of six months.

Ms. Bryden: I would like clarification on several things the minister said. I understood the previous government had opened up all the restricted ads to GO Temp employees; it was a means for it to fill vacancies that it was creating to make the civil service look smaller. Has the minister reversed that policy? Was that not in effect when the government came into power?

Hon. Ms. Caplan: My understanding is that there was no policy. GO Temp employees cannot currently apply for restricted competitions. It is my understanding that was the policy in the past as well.

Ms. Bryden: I am almost positive I could find quotations from Topical stating that restricted jobs were open to GO Temp employees.

I am also disturbed by the minister's suggestion that temporary help services to the government should be privatized. We know that privatization means employees will get much lower wages than if they were employed in the government, because the middle man always takes a large cut. That is what this government is

tending towards with the talk about privatizing crown corporations as well.

I am shocked if the government is going to privatize the temporary help service, because it pays better wages to its employees and the middle man does not take a cut from that.

Hon. Ms. Caplan: If the member checks Hansard, she will see I did not say I was considering it. In the past, the Canadian Association of Temporary Services has asked the government to consider that. I did not say I was considering it. I said I felt GO Temp employees were unique and a benefit to the government.

Mr. Philip: On the issue of part-time or temporary employees, my colleague referred to some employees who have worked for some ministries on an ongoing, constantly renewed basis, for as long as three years. I have run into a number of cases at the Liquor Licence Board of Ontario warehouse in the Rexdale area of Etobicoke where temporary employees are simply a cheap way of getting labour. They do all the work of a full-time employee and have almost the same number of hours, but they have considerably fewer benefits and considerably less pay. If I recall correctly—I do not have the file in front of me—the difference is as much as \$3 an hour.

I wonder whether the minister feels that is an honest personnel problem. Does she not feel that creates two classes of employees and a morale problem in the case of the LLBO warehouse as well as considerable frustration for people who are constantly being promised that they will eventually become full-time employees and have that security but are constantly being rejected or disappointed?

3:40 p.m.

Hon. Ms. Caplan: That is a separate issue from the issue of GO Temp. That is the issue of unclassified employees. The member specifically mentioned the Liquor Licence Board of Ontario, a separate government agency which does its own hiring. I refer him to the Minister of Consumer and Commercial Relations (Mr. Kwinter) if he wants to discuss the hiring practices at the LLBO. Hiring practices generally are of interest and concern and an issue which will be receiving attention in the not-too-distant future.

The issue of unclassified employees within government ministries is another one which Management Board deals with when we look at the organizations and the work load within the ministries. Often unclassified employees are used for a time until new positions can be fully justified. It has been viewed in the past that

sometimes the length of time is excessive. That is an issue I will look into as the organization of the various ministries come forward to Management Board for consideration.

Ms. Bryden: The minister mentioned that regular part-time employees are now getting full benefits. I understand it is not complete throughout the public service. Some regular part-time employees are getting them, but there are still many who are not, such as some employees of the Ministry of Natural Resources. If it is the ultimate goal of the government that all regular part-time employees get full benefits, it is an argument for extending them to GO Temp employees. Is it complete? Are full benefits being extended to all regular part-time employees?

Hon. Ms. Caplan: My understanding is that anyone classified as a regular part-time employee is eligible. I can check into it to ensure that is the case. There are some seasonal employees who come back on a regular basis, who are considered permanent part-time or permanent seasonal, whom it was intended to include. If there is any classification of employees the member specifically wants me to look into to see if there is entitlement, I would be happy to do that.

Ms. Bryden: I have one other comment. I was rather interested in the ministry saying that government trained enumerators for the recent municipal voters lists used GO Temp employees. They were trained by the government.

I worked in several polls in the municipal election where I was absolutely appalled by the lack of quality of the lists. There were dozens of people who had been deceased for two or three years. There were many people who had moved away from a household two or three years ago. What had happened was that the form showing who was on the list three years ago had been left at the door, and if it was not returned, those names were simply added to the list. This resulted in great numbers of noneligible voters on that list. A better system has to be devised to provide lists which include the people actually residing there.

When people are not home, the federal and provincial enumerations usually require two callbacks to check, one in the daytime and one in the evening. I gather the training given for the municipal election was simply to leave the card and if the enumerators did not hear from the people, it appears they just put on the old names. Whether they got paid so much a name for adding them is another question. It was a very poor enumeration.

Hon. Ms. Caplan: The enumeration I was referring to was the provincial one where GO Temp does attempt to train some of the provincial enumerators and see that training is carried out. In municipal elections it is the responsibility of the municipality to train its enumerators, not the provincial GO Temp operation. I wanted to clarify that. The enumerator operation generally needs a lot more training to ensure it is done properly and well.

On seasonal employees, perhaps I could give a more complete answer. In January 1986, seasonal employees who have been employed for a long time may opt to join the pension plan. It is at their option. Regular part-time employees may now join.

As far as the status of regular part-time employees is concerned, let me give some of the background information I have on this. In 1983, the Civil Service Commission established a task force to study the requirements and means of implementation of regular part-time employment in the Ontario public service. Regular part-time employees are those employees who work on an ongoing and regular basis but do not work a full work week.

In March 1984, the throne speech provided that from then on, wider access to improved rights and benefits would be available to civil servants and this would be to include employees who work on a regular part-time basis. The rights and benefits were subject to negotiations with the union and the matter ended up in arbitration.

The award of the board of arbitration was received on May 28, 1985. The board has adopted the employer's proposal in total. In addition to the general applicability of the working conditions agreement provision, the employer proposed and the board accepted access to benefits on a prorated basis where appropriate. These were such benefits as life insurance, long-term income protection, paid Ontario health insurance plan, supplementary health and hospital insurance, vision care and hearing aid plan, vacations, bereavement leave, maternity leave, adoption plan, short-term sickness plan, termination payment and dental plan.

In addition, regular part-time employees are now eligible for participation in the pension plan. As I said, that is optional.

At arbitration, the employer had advised the board that it would need six months from the date the board's award was issued to implement the new provision. The board granted the employer the implementation period on the condition that certain provisions when implemented would be

applied retroactively. Negotiations between the parties on the various aspects of the implementation process are ongoing. The board has retained the jurisdiction to decide matters on which the parties are unable to agree.

As I said in my opening statement, the arbitrator also suggested that this should be a model for other employers in providing these types of benefits to their employees.

Ms. Bryden: I am very happy to hear that the minister is setting a model in this field. However, I think GO Temp employees have an equal claim to part-time prorated benefits, especially as some of them are on the roster for a very long period and really make a career out of it. They may not have full-time assignments but over the years they add up to a considerable contribution as employees of the government. I am sure they are much more valuable to the government by having been here for a number of years.

Are the minister's plans to extend this to GO Temp employees?

Hon. Ms. Caplan: I have no plans to extend it at this time.

Mr. Philip: Are we alternating? I am prepared to ask a few more questions but if the member for York Mills (Miss Stephenson) has some, I am prepared to alternate.

Mr. Chairman: Carry on, the member for Etobicoke.

Mr. Philip: There were a number of questions which I think the minister did not answer in response to my leadoff. Would the minister like to address herself to the issues I raised about propaganda versus information in government advertising?

Hon. Ms. Caplan: I believe I did attempt to respond to that when I suggested to the member that the Advertising Review Board which has been established would ensure that all advertising was appropriate to the government's needs and that it was not considered to be the kind of propaganda we have been so critical of in the past.

3:50 p.m.

Mr. Philip: As a way of setting a different course of action than the kind of squandering of the taxpayers' money by the previous government, on "Preserve it, Conserve it" and numerous other ads we could talk about, why would the minister not be prepared to accept the suggestion, which I think would have cleared the air, of an all-party committee to deal with government advertising and to ensure that it operates in a

nonpartisan manner? Why would this be objectionable to the minister?

Hon. Ms. Caplan: I find at this time it is unnecessary to proceed to something so drastic when we have set up a new mechanism with the Advertising Review Board. I am confident it will work and I look to the member to give us a chance to see whether it does work.

I believe we have already shown our interest in this subject by the establishment of a new process. In ministries that propose the campaigns and participate in them, we have ensured that it is done on a bureaucratic level and that there is outside participation by the general public through the appointment of an individual to sit on that board. As well, since coming to office we have actually cut 30 per cent of the uncommitted advertising dollars in the 1984-85 budget. I believe the ARB will work. I am confident it is the appropriate action for this new government to take.

Mr. Philip: I find it interesting that the minister seems to think having parliament in control of government advertising is a drastic move. I would have called it a democratic move.

Can the minister tell the House whether she is at least prepared to accept the recommendation of my colleague the member for Port Arthur (Mr. Foulds) who has recommended in his private member's bill that, at least during those periods when there is a provincial election, after the writ has been issued, government advertising ceases?

Hon. Ms. Caplan: I am willing to look at the recommendations of the member for Port Arthur and to consider them.

Miss Stephenson: I have a question related to that asked by my colleague the member for Etobicoke. The minister has said she has cut 30 per cent of the uncommitted advertising budget. Since each ministry establishes its own budget for advertising and since the agencies establish their budgets for advertising, would the minister be kind enough to tell us which ministries and which agencies have had a significant amount cut from their budgets, what those significant amounts are, and which ministries and agencies have had nothing cut? Obviously there are some that have not had severe restrictions.

Hon. Ms. Caplan: I believe the Ministry of Tourism and Recreation was one of the only ministries that was not cut in the decision to reduce the amount of spending on advertising this year.

Miss Stephenson: Is the minister aware that in a significant number of ministries, such as the

Ministry of Education and the Ministry of Colleges and Universities, the advertising is newspaper advertising announcing the holding of meetings or committee hearings, and that absolutely no money was spent for a period of at least eight years on anything that could have been construed as advertising, least of all propaganda, as suggested by the member for Etobicoke (Mr. Philip)?

There has not been propaganda; there has been some good, responsible advertising. Tourism obviously needs some, as does the Ontario Lottery Corp.

I wonder whether the minister has looked at the results of some of the advertising that has been carried out. The "Preserve it, Conserve it" program in energy was significantly responsible, I believe, for a reduction in energy use over a very long time. There have been other equally successful programs.

The responsibility of government to inform, to provide information and to ensure that people are aware of the kinds of programs they have and of the way in which they can participate, it seems to me, is not advertising; it is providing information. Is the minister lacerating those budgets as much as she is those that have an advertising potential, such as those related to Tourism and Industry?

Hon. Ms. Caplan: As the member knows, in the past we have been critical of the amount of advertising and, at times, of the content. It is our intention as a new government to ensure that all advertising dollars are wisely and well spent and that they deliver a message appropriate to government. Perhaps "lacerate" is what the member wishes to call it, but I prefer to say "efficient and effective management." Let me assure the member that whether it is through constraint or the use of dollars within ministries, that is what I intend to do for every activity.

Miss Stephenson: That is a very worthy intention and all Chairmen of Management Board have equally worthy intentions; there is no doubt about that. I am, however, concerned that the minister is directly interfering in the budgetary establishment and designation of specific ministries related to this, and I really would like information about the amount that has been—instead of saying "lacerated" let us just say "surgically removed." I think that is an appropriate suggestion.

I wonder whether the minister would give us the amount for each of the ministries and the direction she is suggesting they should pursue. I wonder whether she would also provide to me,

because I have been here only 10 years, the information about the content of advertising about which her party was critical. I never heard anything about the content being criticized in all those years, except for the "Preserve it, Conserve it" program of the Ministry of Energy. It was a very useful and extremely effective program. There were no others I was aware of.

The concern the member for Etobicoke has is one that I share. I am not at all sure that any minister's name should ever appear on any advertising at any time, because I do not think it is necessary. I believe that if a ministry is advertising, it is the ministry that is advertising and not the minister or deputy minister. If it is an information-sharing exercise, those names do not need to be there. There are divisions of a ministry that may need to be identified, but I do not think the Minister of the Environment (Mr. Bradley) needs to put his name at the bottom of ads for the Ministry of the Environment, any more than I think it was ever necessary in any other circumstance. That is the kind of rule this House should introduce.

Mr. Philip: I would like to help the minister in looking at those propaganda ads the former minister seems so incensed about. No doubt the member for St. Catharines (Mr. Bradley) will recall those beautiful ads that said "Things grow well in Ontario" or "Things grow better in Ontario." They were supposed to promote agriculture and the sale of agricultural products in Ontario. Coincidentally, it happened that snow was on the ground, that nothing was growing in Ontario and that very few Ontario products were for sale at that time. The only thing that happened to coincide with it was an election campaign and the Conservatives hoped that the things that would grow well in Ontario would be votes for the Tories.

Perhaps the former minister would also like to remember that at the same time, when the rivers, streams and lakes were frozen over and the only thing coming down was acid rain, there was that great American actor canoeing on a beautiful lake saying that nowhere in the world were things as clean as here in Ontario. I do not know what that would have to do with getting any information to the public other than to say the total lie, which was that the Conservatives were trying to do something about acid rain or that they were cleaning up the environment. It was propaganda. One would have to live on the moon not to think it was propaganda. One would have to be Mary Poppins not to think it was propaganda. I am sure we could come up with all kinds of examples.

4 p.m.

Mr. Chairman: Order. Did you use the expression "the total lie"?

Miss Stephenson: Yes, he did.

Mr. Chairman: Perhaps the member would like to withdraw that.

Mr. Philip: I said the advertising is a total lie.

Mr. Chairman: Carry on. I think you were in the process of asking the minister a question.

Miss Stephenson: On a point of privilege, Mr. Chairman: The delightful member for Etobicoke has in his usual ranting fashion gone right off the track completely. He also apparently forgets, of course because he is very much an urban member, that there are vegetables grown in Ontario that are sold throughout the winter. I am sure the representatives of rural ridings will be glad to instruct him about the fact there are many of those: rutabaga, squash, potatoes, all kinds of things. As a matter of fact, there are greenhouses in southwestern Ontario which grow a great deal of produce, which is sold throughout Ontario through the coldest months of the winter. I must admit it is unfortunate the honourable member is unaware of that kind of information.

Mr. Chairman: That is not a point of privilege.

Miss Stephenson: It is point of opinion then if you like.

Mr. Philip: On the point of privilege, Mr. Chairman: I am quite aware of the excellent programs of the greenhouse growers. Because of the ad valorem tax the Conservatives imposed on those greenhouse growers, they often had trouble merchandising the tomatoes or even growing them because they could not afford to keep those greenhouses growing during the winter in the St. Catharines area.

I can tell you, Mr. Chairman, it was not the tomatoes that were being peeled; it was the taxpayers who were being peeled by the Conservative advertising program.

Mr. Chairman: Now back to the estimates of the Management Board. Does the minister wish to respond?

Hon. Ms. Caplan: No.

Mrs. Marland: If I heard her correctly, I heard the minister say there has to be a reduction in advertising in the budgets of all the ministries except the Ministry of Tourism and Recreation. Would that also include the ministry responsible for the most successful advertising program in this province, which has not only dealt with the subject of drinking and driving but also has dealt

with it to the degree of success where the drinking-driving countermeasures program, which is almost totally reliant on advertising, has now reduced the numbers of the critical incidences of drinking and driving in the province?

Hon. Ms. Caplan: What I told this House was that we established the Advertising Review Board to examine proposed advertising campaigns to ensure they were needed, effective and would deliver the appropriate message. I said as well that we had reduced the advertising budget by in excess of \$3 million last year in a constraint on advertising, where we felt it was unnecessary. In future, the ARB will be looking at all campaigns to ensure the government's message is delivered.

I believe the Ministry of the Attorney General and the campaign the member referred to is effective and appropriate advertising. It has continued, as she sees. The ministries which had some of their advertising budget constrained were Citizenship and Culture; Colleges and Universities; Energy; Industry, Trade and Technology; Natural Resources' and Treasury and Economics.

Mrs. Marland: By listing those ministries, is the minister now changing her previous statement of a few minutes ago when she said all ministries except Tourism and Recreation?

Hon. Ms. Caplan: What I said was that when we looked at the advertising budgets of all ministries to determine where we could reduce the advertising budgets, Tourism and Recreation was not cut.

Mrs. Marland: I am not understanding the answer clearly and perhaps I shall have to wait to read it in Hansard, but I thought the minister said there was a reduction in all ministries except Tourism and Recreation. That is what I heard her say. Now I hear her listing some of the ministries and I hear her saying she has looked at them all.

If there was a reduction in all of them except Tourism and Recreation, when the minister says a reduction of \$3 million, that sounds phenomenal to the man out on the street because he has no idea how many millions of dollars are needed to be spent on advertising for a provincial government in a province with the population and geographical distribution this province has. What percentage of the advertising budget of the government does a \$3-million reduction represent?

Hon. Ms. Caplan: The total we constrained was 30 per cent of the uncommitted dollars. The amount was somewhere in the neighbourhood of

\$25 million to \$30 million. I believe that represents about 10 per cent of the total advertising budget.

Let me tell the honourable member, however, that is only the ministries. In doing this review of advertising, certain other interesting facts came to light; for example, the fact that Ontario Hydro has never tendered an advertising contract in more than 30 years and the Workers' Compensation Board has never tendered a contract but has had the same advertising agency for some 30 years.

The Ontario Lottery Corp. had agreed to and is abiding by these new rules to ensure that all the advertising done by the provincial government and its agencies will be open to scrutiny and will be judged as fair and competitive and that the advantage will not be given to a handful of agencies that have done business in an unfettered manner with the previous government without appropriate public scrutiny and control.

Before the member asks questions about this government's attitude to advertising contracts, I suggest she looks at the record of the previous administration, which I say is shameful.

Mrs. Marland: I do not think the minister has to tell me what I need to do before I ask questions of this government. I certainly do not appreciate that suggestion.

I will look forward to the answer to the question put by the member for York Mills (Miss Stephenson). Can I be assured that we will have that answer about the reduction in all the ministries by amounts and have it related to the total budget for advertising, so it is not just a figure of reduction, but we have an entirely clear picture, as has been requested by the member for York Mills?

Hon. Ms. Caplan: I believe I answered that question.

Mr. Warner: Does the minister have a rough estimate of the amount of untendered advertising that would have been awarded by Ontario Hydro? Second, to whom did that untendered advertising go?

Hon. Ms. Caplan: I believe Foster Advertising has had the contract for Ontario Hydro for the last many years. I believe their contract has been a range equal to the contract for tourism in the province. While I cannot be specific, it is in the neighbourhood of \$7 million to \$10 million. I can get the member the approximate number.

Mr. Warner: That is an interesting neighbourhood, a neighbourhood with which I am not familiar; \$7 million to \$10 million to Foster

Advertising over a long time, probably the best part of 25 or 30 years. We know, of course, that Foster Advertising is well connected to the Conservative Party. We understand that. Am I correct in saying this process is now going to be opened up and there will be tendering for government advertising?

4:10 p.m.

Hon. Ms. Caplan: The way the Advertising Review Board is going to work is that all contracts in excess of \$500,000 will have to be announced prior to the tender. They will go to the ARB, which will look at the needs of the ministry. It will consist of two representatives from the ministry proposing the contract and two representatives from the special advertising groups in the Ministry of Tourism and Recreation, who are the experts, and an outside representative on that board.

They will then announce the results of all contracts for more than \$500,000. The smaller contracts, the ones between \$15,000 and \$500,000, will be tendered according to the requirements of the Manual of Administration. A subgroup of the Advertising Review Board will oversee those other contracts and a roster system will be encouraged to ensure participation by as many qualified and competent agencies as possible.

I am very optimistic and hopeful that this will work, but this is a new concept in Ontario. It may require some changes as we try it out. I want the members to join with me to give this a chance to work. We will be watching to ensure that it is fulfilling our desire that all competent and qualified agencies have an opportunity to tender for government contracts, regardless of political stripe. That is our intention.

Mr. Philip: I see the Minister of Housing (Mr. Curling) is in the House at the moment. He would no doubt have been very interested in a certain advertising program conducted by his predecessor, who advertised three programs, only one of which was funded. I realize the Minister of Housing has not announced any programs and, therefore, he cannot yet advertise any.

I hope he will be more diligent and find out which officials were responsible for that bloop and waste of the taxpayers' money. There were actually three programs, two of which were not funded and never took place, but they were all advertised. I hope the minister might take some interest in that.

I want to get away from government advertising and deal with a couple of other issues. While the Minister of Housing is here, I hope he will

answer some of the letters I have sent to him, since I do not seem to get a reply from him.

On the matter of the accountability of crown corporations, a number of members of this House, in particular members of the standing committee on public accounts, have recommended that the Provincial Auditor should audit all crown corporations, including subsidiaries. I wonder whether the minister has a position on that.

Hon. Ms. Caplan: No, I have not taken a position on that. I would be pleased to look at the report and tell him what I think of it.

Mr. Philip: I wonder whether the minister could also deal with the issue, on which she expressed concern but did not see a necessity for a comptroller general, as I proposed not only in the House, but also on the Canadian Broadcasting Corp. One of my Conservative colleagues agreed with the concept. I wonder what she sees will take the function of that, since we have a problem when we have eight departments and/or agencies coming before the public accounts committee two years in a row. In some cases there have been repetitions over and over again for a series of years.

What is the minister going to substitute to ensure that kind of thing does not happen and that Management Board will have some kind of control over it, if it is not going to have a comptroller general?

Hon. Ms. Caplan: In my estimates statement, I outlined steps we are taking to improve productivity by making management practices and systems more efficient. Outlined already are the steps we are taking to make government more accountable. We are reviewing all our policies to ensure that the controllership roles of ministries, Management Board and Treasury are clear. I am very willing to consider the member's recommendation as part of that review.

Mr. Philip: Management Board has a mandate to provide cost-benefit or value-for-money analysis. The problem seems to be, when a political decision was made, be it on the Ontario Institute for Studies in Education more recently or the decision on Suncor, which was even worse for the taxpayers, that no cost-benefit studies were done and that Management Board had no opportunity, as far as we know, to look at that kind of decision.

Can the minister tell us how she feels the question of Management Board's role in cabinet decision-making will be different under this government, to ensure we do not have the kind of blatantly pie-in-the-sky purchase that was made

by the previous government of something such as Suncor and the squandering of the taxpayers' money in so doing?

Hon. Ms. Caplan: As the honourable member knows, our party was critical at the time of the Suncor purchase. What I can say is that Management Board reports to cabinet on all of the financial and administrative implications of cabinet submissions and that I will be vigilant in that duty in reporting to cabinet and ensuring that business cases are made.

Miss Stephenson: I have a supplementary to that response. I would simply like to ask the minister whether the Chairman of Management Board participated in the discussion with the Treasurer regarding the additional funds which had to be delivered to Suncor to complete the purchase so the government could sell it? Was that a part of Management Board's discussions?

Hon. Ms. Caplan: I am not sure to what the honourable member is referring.

Miss Stephenson: When the Treasurer decided he would provide funds to pay the amount owed to Suncor in one lump rather than over the next several years, as was the agreement in the first place, was that position a decision of Management Board as a result of discussion about it?

Hon. Ms. Caplan: I was privy and part of the decision-making process on that.

Miss Stephenson: I was speaking of the entire Management Board.

Hon. Ms. Caplan: Yes, it went through Management Board.

Mr. Philip: Price Waterhouse points out that there are a number of cases in which the legislation establishing a ministry is pretty unclear about the role of the deputy minister or the assistant deputy minister. In a discussion we had, which was stimulated by my recommendations in the Provincial Auditor's estimates, the auditor admitted that on Thursday. Unfortunately, the Instant Hansard is not available; I would like to have given the minister the Provincial Auditor's exact words.

Basically, what he said is that the deputy ministers were getting confusing signals. They would get one from the Deputy Premier's office, another from Management Board and another from their own minister.

Some members of the standing committee on public accounts agreed that a study should be done—perhaps by that committee—to look at the role of the deputy ministers and find out whether there is role confusion and whether some of the

so-called errors for which certain deputy ministers are hung out may not be of their own making, but may be created by a process that is pretty ambiguous and confusing to the particular deputy minister.

Does the minister have any comments on this? Would she perhaps like to see the standing committee on public accounts look further into this, along with the Provincial Auditor, or does she feel she has enough in the recommendations from Price Waterhouse to leave it where it is?

4:20 p.m.

Hon. Ms. Caplan: The recommendations in the accountability study have given us an opportunity to look at the annual review of deputy ministers to ensure that the signals to which the member refers, the lines of responsibility and the accountability, are clear. We are establishing a new format to ensure that deputy ministers are responsible and understand their responsibilities. I am satisfied to see how that goes forward during the next year. I believe that it will be effective and that we will have responded to the concerns referred to.

Mr. Gillies: With the indulgence of my friend the member for Etobicoke, I have a couple of questions on this as I was part of a debate we had on these matters in the standing committee on public accounts. I want the minister to understand that the problem we were talking about is the position a deputy minister can be put into because of what appears to be a dual line of accountability, one obviously being the deputy minister's responsibility to the minister in responding to policy directions that are requested or directed by the minister, and another being the line of responsibility that leads back to the public service through the deputy minister in the Premier's office or secretary to the cabinet.

One member of the committee failed to understand at the time what it was we were getting at and was worried that we were somehow trying to hang deputy ministers out to dry, when we were trying to do quite the opposite. We want to assist them in their roles by clarifying their lines of responsibility, so they do not get caught in what can be a rather awkward squeeze. I am sure the minister is aware of the types of problems a deputy has found himself in in the past four or five years. I ask the minister to consider that.

Last week, in the committee and on a Canadian Broadcasting Corp. radio program, I expressed some sympathy for the proposition of the member for Etobicoke for a provincial comptroller. However, I ask the minister to

comment on one misgiving I have about the proposal. That is the possibility that the presence of a comptroller general or what have you in government, if not handled properly, could complicate or further cloud the lines of responsibility.

In other words, I would not want a minister or deputy minister being able to distance himself from responsibility for something that happened in a ministry by putting up the stock reply, "You cannot really blame that on me because the comptroller was aware of it four months ago and did not say anything." That is the only misgiving I have about the proposition.

I will get all my questions out in a row so that I do not have to interrupt my friend again. I would very much like to hear the comments of the Chairman of Management Board on the court decision in Ottawa that would appear to give the Auditor General of Canada greater access to cabinet documents. Perhaps she will comment on the existing situation at Queen's Park and how it might impact if a decision similar to the federal government one were to come down regarding the government of Ontario.

Hon. Ms. Caplan: Let me deal with the last question first. I will be discussing the implications of that decision with the Attorney General. I think our intention as a government, through the freedom of information legislation, is to ensure that there is access to documents of public concern and that people have access to information about themselves.

I do not think there is that suggestion about all cabinet documents; certainly that is nothing anyone has ever suggested. If government is going to function, there has to be the opportunity for confidential consideration of matters. I think the matter the member raised is one that has significant implications, not only in Ottawa but potentially at the provincial level as well. We will be considering what implications it may have, and the Attorney General will be examining that court decision.

On the issue of whom the deputy ministers are responsible to, I do not mean to be flip or to make light of my response, but we have a situation where the Premier and the ministers communicate, get along and discuss the policies and general thrust of the government. I believe the opportunity for that kind of confusion to happen in the foreseeable future is virtually nonexistent.

The relationship between ministers and their deputies and between the Premier and the deputy is such that we know the Premier has the responsibility for appointing a minister to a

portfolio and for appointing a deputy to oversee that ministry. I realize there have been some problems in the past. I cannot see that having a comptroller general would do anything more than possibly confuse that relationship, as the member has suggested.

Management Board can and should ensure that accountability through the review of the deputies on an annual basis as they come forward to Management Board. It is clear, and there should not be a problem. Perhaps as a new member of this House, I am not as familiar with some of the problems of the past. However, I have listened to the discussion and will be very aware, as we look at all the options available to us, of ensuring that we do not have those kinds of confusing signals. I see things working particularly well.

Mr. Philip: In response to my colleague the member for Brantford (Mr. Gillies), I would like to point out that I do not think the President of the Treasury Board in Ottawa feels he is any less under the heat or under scrutiny because he happens to have a comptroller general in operation.

My question to the minister is, how much time would a deputy minister spend in this yearly accountability session with Management Board? What would the average length of time be that he or she would spend at that?

Hon. Ms. Caplan: In the past it was called the 100-minute review. In the future, we believe it will be in excess of that, as the terms broaden. It will be the amount of time Management Board feels is necessary to assure itself that the deputy minister is fulfilling his responsibility.

Mr. Philip: I do not want to prolong the discussion on this, but with a Management Board that changes frequently in the composition of players, with ministers who frequently change and in the absence of some stabilizing body such as a comptroller general, 100 minutes is hardly going to do very much, unless some superminister who has tremendous control and insight into all the portfolios is somehow in charge. I wish the minister well in that. In no way do I underestimate her capabilities, but I am not sure she or anyone else is fully capable of doing that kind of job at this time in this complicated society.

While we are on the subject of Price Waterhouse, has the minister had a chance to study the J. Peter Grace report? If so, does she feel that any applications of the recommendations to the American system might have application in Ontario?

Hon. Ms. Caplan: No, I have not had a chance to study it.

Mr. Philip: Would she like to do so and report in the next estimates?

Hon. Ms. Caplan: My staff are reviewing it at this time. I have not read the report.

Mr. Philip: Maybe we will have an interesting discussion on it during the next estimates.

The other area I would like to get into, and Price Waterhouse skates around it, is merit pay. No doubt the minister has seen some of the debates on it. The former member for Rainy River, Patrick Reid, was a great advocate of it. He may have changed his mind after visiting Washington and seeing what the General Accounting Office had to say about merit pay.

Does the minister have a position on the values or, as I would suggest, the fact that there is no value to a system of merit pay or that any value it does have is greatly outweighed by the disadvantages to that kind of system?

4:30 p.m.

Hon. Ms. Caplan: The present system of merit to which the member referred allows for an increment within the range. This has been referred to as merit and is given to employees provided their work is acceptable. I do not know that there has been a true merit system in place either at this time or in the past.

As the member knows, I have embarked upon a review of the structure, role and mandate of the Civil Service Commission, and one of the questions I have asked is how we remunerate employees. I am awaiting the results of that report. I can tell him that currently the system for remuneration is salary increments and the employees enter at an entry level. Annually, there is a review. There is an automatic stepped increase within the bargaining unit.

In the excluded categories, there is a percentage range, which I do not believe truly reflects merit in the excluded and management classes, but it allows employees to move through the range to what is referred to as the job rate, sometimes referred to as the maximum job rate. It is a question of how quickly one proceeds through that. I am not sure whether that is what the member is referring to.

Let me tell him that right now I am reviewing the whole concept of pay to determine how best we can accomplish that within the civil service.

Mr. Philip: The General Accounting Office in the United States has some excellent studies which the minister may want to look at. The American experience shows that where merit pay has been implemented in the American public service, it has been divisive. It has resulted in

people hiding information from their colleagues; insecure managers promoting or giving increases in salary to people who are less than a threat to them and who are simply uncreative; tremendous differences from one department to another where one manager may give so-called merit pay to everybody and another manager may give it to very few.

The overall effect is that it has not increased productivity in any way. It certainly stifled creativity and has proven to be a human relations disaster. I hope the minister will look at that.

It seems to me we should not have anything on our books that even has the words "merit pay." If one is not going to have merit pay, let us not call it that. If there are going to be regular increments provided a person meets the basic requirements of the job, then call them increments; do not call them merit pay, because it somehow suggests that one person is being awarded for an exceptional performance and another is not.

I suggest to the minister that from everything I have taught in management courses I have given, it runs against every known scientific and psychological body of knowledge and does not merit any kind of consideration under our government.

Hon. Ms. Caplan: Human resource management is something in which I have a great interest and about which I have great concerns. It is one of the things that led me to call for a review of the role of the Civil Service Commission.

As the member knows, the Price Waterhouse study called for a system of performance appraisal and review; it charged the deputy ministers with this responsibility. It is all part of the human resource planning that is necessary within the Ontario public service. It relates to how people feel about themselves and the way they do their jobs.

I agree that in the past, the term "merit" has been misused within the civil service. It was not something that was over and above but was related to doing one's job as was expected in an acceptable manner.

It is something I am reviewing and considering. I believe it is necessary for employees to have a performance appraisal system they respect, one that will allow them to participate and discuss their jobs so it is clear what is expected of them in the standards of performance and in the jobs they are doing. If that is done well and properly, the entire civil service will be enhanced in its human resource planning and management.

The people who work for us are an important resource. Seeing that they are treated fairly and that they believe they are compensated for effort will result in greater productivity and greater pride in the jobs they do for us.

Mr. Philip: If it is done well, we do not need to clog the issue with something like merit pay because the employees, knowing the job is being done well and having set new objectives to do it even better, will be motivated by those objectives and their progress and not by any artificial thing out there such as X dollars attached to something they do not understand.

Miss Stephenson: Before reviewing the body of information that has been developed by the General Accounting Office in Washington, I hope the minister will await the evaluation of the program begun by 37 of the 52 states in the union and related to merit pay for teachers. That program, which began within the past two years, apparently is proving reasonably effective in increasing the creativity, productivity and enthusiasm of teachers for their role.

If there is something in that, it should be looked at in the light of the difficult role that deputy ministers and Management Board have in making assessments about whether some people are deemed more effective than others and therefore perhaps should be remunerated or rewarded. I do not know whether it is remuneration or a reward of some kind that comes through to ensure that enthusiasm and creativity are not stifled. Merit is not a dirty five-letter word.

Hon. Ms. Caplan: Before any decision is taken, I will pay heed to whatever studies are available. In human resource planning, we have to make sure we have all the information before we embark on a new road or discount anything that has happened in the past.

Mr. Philip: There is an easier way of getting a more immediate handle on the situation. Since we now have an excellent Ombudsman, who has managed to eliminate the reactionary management system that existed under the acting Ombudsman before him, where there was a de facto kind of merit pay in the Ombudsman's office, the minister might like to confer with him.

If anybody has ever managed to turn a situation around and have his employees behind him and working hard for him, it is the present Ombudsman. I believe we are all attending a reception with him this afternoon; so the minister might like to have a glass of wine with him and find out how one can turn something around and make it work.

Hon. Ms. Caplan: I thank the member for the information.

Mrs. Marland: I would like to return for a moment to the advertising question. The minister stated the government was now going to tender all advertising contracts in excess of \$500,000. I think she told us this afternoon that the total advertising budget for the government was going to be approximately \$30 million.

Hon. Ms. Caplan: No.

Mrs. Marland: Then would the minister like to tell me what she did say?

4:40 p.m.

Hon. Ms. Caplan: I said the ministry advertising budget for 1984-85, which was last year, was approximately \$25 million to \$30 million. We looked at that budget and, based on the uncommitted portion, we reduced it by a little more than \$3 million. I did not give a total number beyond that.

Mrs. Marland: I still have not heard what the minister is saying. Is she saying industry advertising? To make it clearer, could she tell me approximately what the total budget of the government for advertising will be in all ministries?

Hon. Ms. Caplan: Is the member referring to the estimates before us? It will be approximately \$3 million less than the previous government set aside for advertising in this fiscal year.

Mr. Sterling: Has the minister reclassified any of the areas previously covered under advertising? For instance, is the publishing of books and brochures still included in the advertising budget or has she reclassified any of that documentation into another expenditure column?

Hon. Ms. Caplan: Nothing has been reclassified.

Mrs. Marland: We are back to the reduction of \$3 million, but I am still not clear what the total global figure is for advertising for the government, including all ministries. It is based on that answer that I have a question.

Hon. Ms. Caplan: It is approximately \$25 million for ministries.

Mrs. Marland: That is what I thought the minister said and that is what I said a few minutes ago.

In the minister's statement that she is now going to tender all contracts in excess of \$500,000, is that answer related to all contracts in excess of \$500,000 or just ministry contracts?

You have just given an answer in terms of ministries.

Hon. Ms. Caplan: The figure we have imposed on all ministries is \$500,000 over three years for all major campaigns. Ontario Hydro has agreed and the WCB has agreed. The Ontario Lottery Corp. is participating as well and we are setting this out as government policy. The agencies, boards and commissions that are responsible for following those guidelines under the Manual of Administration will also be required to comply.

Mrs. Marland: How did the minister arrive at \$500,000 as the amount above which the government would tender for that advertising? I suggest every advertising agency in Ontario would be delighted to be given a \$50,000 advertising contract, let alone a \$499,000 contract, without tendering.

Hon. Ms. Caplan: Let me be clear. I think the member has misunderstood. All advertising contracts between \$15,000 and \$500,000 will be tendered in accordance with the Manual of Administration to ensure that all the companies that have been denied that opportunity during the last 42 years will have a chance at the government business for which they did not have the opportunity to tender.

In addition to that, for contracts of more than \$500,000, there will be an added requirement to advertise that campaign in Marketing magazine and Adnews and Information to let the industry know what campaigns are coming up and also to announce the winner of the campaign after the process of the Advertising Review Board.

There are two things happening. One is the open competition for major campaigns in excess of \$500,000 over three years through letting the industry know what is coming up and inviting proposals. The other is the continuance of tendering procedures in accordance with the Manual of Administration for contracts between \$15,000 and \$500,000, all of which will be reviewed by the ARB. Does that answer the member's question?

Miss Stephenson: My question is whether the ARB will address all the applications made, or whether it will select applications for tendering. The minister has suggested that people will be invited to make proposals, those proposals will be reviewed and the reviewing group will then decide who is going to be able to tender. Is that it, or will it be wide open? If that is so, then why does the ARB become involved at all?

The other question I have relates to which advertising companies have been denied access,

aside from Vickers and Benson, which was so busy doing the Liberal advertising for everything that was done in Ottawa for so many years that it did not have a chance to come in here.

Hon. Ms. Caplan: Since the day of the announcement of the ARB and the new system, I have received many positive communications from the industry—many are still very sceptical, by the way—to this new way of doing business. It may not be perfect, but we are going to attempt to restore the faith in how we do business by making sure that everyone who is competent and qualified will have an opportunity to participate and have government business and accounts.

For many years in the past, it was clear that those very large accounts went to friends of the previous administration. If the member takes a look at the practices of Ontario Hydro and the Workers' Compensation Board, she will see that those unacceptable practices have, I believe, raised the level of scepticism and cynicism. We are trying something new. We believe this will be responded to positively by the industry. People are already writing us to say, "Thank you for giving us this opportunity to participate."

Contracts worth between \$15,000 and \$500,000 will be handled in accordance with the Manual of Administration. For contracts worth more than \$500,000, we are adding the mandatory requirement that the industry be made aware of what campaigns are coming up so those who feel they are qualified will have an opportunity to respond. The ARB will review those, make a determination and then make recommendations to this government. That is the system we have set in place and I am confident it will work.

Mrs. Marland: The question as to which companies have been denied access has not yet been answered. While the minister answers that question, can I be clear that she is saying contracts worth more than \$500,000 will be advertised in—she mentioned Adnews?

If I am a small advertising business and I am interested in a contract at \$499,000, can she tell me how I will know about it? The minister is criticizing what went on before, and yet she is saying that for contracts worth between \$15,000 and \$500,000, it is going to be as the existing policy. Can she tell me what it is she is doing to open it up and how will I know about contracts for less than that amount?

Hon. Ms. Caplan: This also relates to the suppliers' list which I am developing through the Ministry of Government Services to ensure that anyone who wants to do business with the

government will be able to have access via a suppliers' list.

I have some information the member might find interesting on the record of this government to date on advertising. This is since June 26, 1985. For the four months, we have complete records covering government and lottery advertising expenditures in July, August, September, October—

The Deputy Chairman: Order.

Hon. Ms. Caplan: This is in answer to the question, Mr. Chairman.

The Deputy Chairman: Order.

4:50 p.m.

Mrs. Marland: On a point of order, Mr. Chairman: The question was not on the record of this government since June, because the record being criticized was of the government prior to that date. The question directed to the minister was to tell us which companies were denied access under the previous government. The second question I asked was about the companies that are interested in the contracts under \$500,000. I did not ask any question about the current government's records.

Hon. Ms. Caplan: It is very important to have that so there is a full picture of just how we are doing business. In the five months since we have taken office, we have not discriminated. In fact, we have approved \$8.5 million of media purchases through those very same advertising agencies that served the previous administration.

Foster Advertising Ltd. has earned commissions of more than \$500,000 in these past four or five months, handling 27 government accounts and one lottery game. Camp Associates Advertising Ltd. has received commissions of more than \$90,000 on five of its government accounts. Case Associates Advertising Ltd. has done business on four government accounts and on one lottery for a total commission of \$226,000 in the past four months. Together these three Tory agencies have accepted a total of nearly \$772,000 in commissions from this government during the four-month period.

I do not understand what the member's concern is. We are saying we are going to see that all agencies have the opportunity to participate, not just the few that have been mentioned here.

In addition to the figures I have just quoted, November, while it is still unreported in detail, is already known to be over the October total, so in the five-month period this government will have spent more than \$10 million, probably more than \$10.5 million, on the advertising programs

produced and in place by media advertising agencies that served the previous government and that we know specifically are not of the Liberal stripe and persuasion.

Let me say further on the history of the previous administration and its approach to advertising and where it was sometimes felt to be excessive, when the now Leader of the Opposition (Mr. Grossman) was appointed in 1978 to the Ministry of Industry and Tourism, the minister lost no time in increasing his new ministry's spending on advertising by more than \$500,000, an increase of approximately \$540,000, to a total of \$7 million; \$490,000 for his first half-year on the job.

The next full year, in 1979-80, the minister, now Leader of the Opposition, sweetened his advertising budget by \$1.25 million, boosting his ministry to a new high on the promotional scale, to a total of \$8,742,000. In 1980-81 he pushed his advertising—

Miss Stephenson: The minister should try Education and Colleges and Universities and see what she gets.

Hon. Ms. Caplan: I am referring to the advertising habit of the now Leader of the Opposition. He pushed his advertising spending right through the \$10-million ceiling, hitting \$10,348,000 on the high-spending scale. This leap represented an increase of \$1,607,000 over the 1979-80 spending, and it goes on and on. In 1981-82 he went on to achieve championship levels with further fattening on his promotional budget of \$412,000 to set a record of \$10,762,000.

Overall, from 1978 to 1982 the now Leader of the Opposition escalated his advertising and promotional spending beyond the dreams of any taxpayer in Ontario. His total of \$37,340,000 was very high. In the grand total, one agency, Camp Associates Advertising, received nearly \$16 million.

Miss Stephenson: May I ask over what number of years that was, and was that not advertising for the Ministry of Industry and Trade and, for part of that time, for tourism as well?

Hon. Ms. Caplan: I am saying it was for the ministry between 1978 and 1982, as I read into the record.

We have said we believe some of this spending is excessive; we have looked at paring it back. We also believe there were many agencies that would have liked to have had an opportunity to bid on those contracts and were denied that opportunity.

We have set forward a new mechanism to allow them to participate. What we have done is a model. I ask the member to watch and see how it will work. It may not be perfect and it may require some amendments. However, we believe it is a very good first step in opening up the opportunity, not only to advertising agencies but also to business in the province to compete on a level of competence and qualifications, rather than connections.

Miss Stephenson: That is not new. It was part of the policy of the previous government for a considerable period of time.

Hon. Mr. Eakins: Nonsense.

Miss Stephenson: It is not nonsense. It is absolutely true that there was a great deal of opening up of the availability of government contracts to any of a number of small employers in a very wide range of areas. I am not talking only about advertising. The minister suggested the doors were closed to a lot of companies in a whole range of service areas. That is not true. There was considered and vigorous activity on the part of the Ministry of Government Services to attempt to open those doors to make sure everyone could compete. I am delighted to hear the minister is continuing to pursue precisely the same philosophy the previous government had in a large number of areas.

Mrs. Marland: I am still waiting for the answer to the question: What happens to advertising agencies that are interested in contracts under \$500,000? The minister mentioned that the ones in excess of \$500,000 are going to be advertised in Adnews and Information, and that she is opening it up. I have not had that answer yet.

While she is thinking about it, can she tell me what the budget is today for the Ministry of Industry, Trade and Technology and the Ministry of Tourism together, since they are the ones she was just criticizing as to the total amounts previously?

Hon. Ms. Caplan: The figure I gave was the total for the now Leader of the Opposition over a period of time. I do not have the specific figure today by ministry.

For the contracts between \$15,000 and \$500,000, agencies interested in government business will be able to contact the chairman of the Advertising Review Board. There will be an opportunity for them to be prequalified and to be included on a formal rotation basis so that they will have an opportunity to bid on government work.

Mrs. Marland: Is that for more than \$500,000?

Hon. Ms. Caplan: No, that is for less.

Ms. Fish: Mr. Chairman, on a point of order: In reply to questions and in comments, the minister has several times used the phrase, "That was the budget for advertising for the now Leader of the Opposition." I ask you and the minister to consider those remarks carefully in that it is my understanding she was reporting budgets for the ministries, not the personal budget of the minister or the Leader of the Opposition. I ask the minister to withdraw any such imputation of motive in that regard.

Hon. Ms. Caplan: Of course I meant the ministry, although in the past there sometimes were suggestions of confusion. However, it was the ministry the now Leader of the Opposition was minister of at the time.

Mrs. Marland: May I have the answer to my previous question? What is the budget today for industry and trade and for tourism? The minister knows why I am asking. Can she give me that budget today, since she has given us the previous budget so carefully and lucidly?

Hon. Ms. Caplan: I cannot give that figure today.

Mr. Sterling: For two ministries? Can she not add two figures together? The Minister of Tourism and Recreation (Mr. Eakins) is right behind her.

5 p.m.

Mrs. Marland: I will ask the question more simply. I can add figures together. Perhaps I could be given the budget for advertising for Industry, Trade and Technology and Tourism and Recreation.

Hon. Ms. Caplan: I am going to get the member the exact figures, but I believe it is about \$8 million in total for tourism.

Miss Stephenson: On a point of order, Mr. Chairman: The minister referred to was the minister responsible for the then Ministry of Industry and Tourism. Those are now two separate ministries. The honourable member is simply asking for the advertising budget for Industry, Trade and Technology and the advertising budget for Tourism and Recreation. Put the two of them together and let us look to see whether there has been any significant drop since the minister's administration took over or whether it continued to grow, because tourism advertising does continue to grow. That is one of the thrusts the previous government began, which I

am delighted to see the government is continuing to pursue.

Hon. Ms. Caplan: I said the budget for the Ministry of Tourism and Recreation is about \$8 million. I do not have the figure for industry here today, but I will get that for the honourable member.

Mrs. Marland: To clarify that answer then, I would assume we could also have before us, when the minister gives us that answer, the figures she has just recited which did cover those two ministries together. As I was recording them, I thought she got up to \$10,800,000. It is interesting now that only one of those is \$8 million. I think that is a rather significant item the minister has just raised in her own record.

Hon. Ms. Caplan: I am not sure I followed the question exactly. The figures I quoted before were cumulative over a period. As I said, the present tourism budget is approximately \$8 million. I will get the figure for the honourable member for industry.

Ms. Bryden: There is one question regarding GO Temp the minister did not answer. Perhaps she could explain to us the method by which pay increases for GO Temp employees are calculated, how frequently and whether they are kept in line with the increases for permanent civil servants and given at approximately the same time. What is the pattern under which increases are provided for in the pay provided to GO Temp employees?

Ms. Caplan: The increases for GO Temp are set by the government from time to time and they have not been decided upon yet.

Ms. Bryden: Are they usually kept in line with the percentage increase given to permanent civil servants or are they less?

Second, are they usually delayed considerably past the time when the regular civil service gets the announcement of the pay increase for the year?

Hon. Ms. Caplan: They come after the collective agreement and they have not been announced at this time. The annual increases are slightly below that of classified positions.

Ms. Bryden: Is there any reason for the delay, now the collective agreement has been settled?

Hon. Ms. Caplan: I expect a decision shortly.

Mr. Villeneuve: Going back to advertising, as the minister well knows, agriculture is in a state of very difficult economic times. I gather that she will be cutting back the advertising budget. We all know that "Cold, Beautiful Milk" is done by

the dairy industry. The beef information centre advertises some of its beef products, but agriculture in general—the wine industry, the beef industry, the red meat industry—are all in very difficult economic times.

First, is the Ontario Ministry of Agriculture and Food News, which is a newspaper published by the Ministry of Agriculture and Food, considered to be publicity, advertisement per se, or is it considered as an expenditure within the ministry?

Second, by how much will the minister be cutting back the advertising, the actual publication of the type of food we produce in Ontario, making our consumers aware of the fact we do have excellent produce in Ontario, with quality second to none and quantities in large surplus?

Hon. Ms. Caplan: The publication referred to is not considered advertising and was not reduced in our overall review. Those kinds of communications were considered separately. Agriculture has as strong an advocate as it could possibly have in its minister, the member for Huron-Middlesex (Mr. Riddell). I would refer you to him at the time of his estimates if there are any specific questions about his ministry.

Miss Stephenson: I have a couple of questions. One is somewhat sequential to the question raised by the member for Stormont, Dundas and Glengarry (Mr. Villeneuve). The minister was informing us a few minutes ago that there was a reduction in the advertising budget of Colleges and Universities since the Ministry of Colleges and Universities has traditionally only published information for students related to the students' assistance program and educational opportunities for students.

I am curious about the area in which advertising will be cut back for that ministry, which never advertised anything for eight years. We did provide information to students in much the same way that OMAF News provides information. We provided Horizons, which told students where courses were and what kinds of skill-training programs there were and how they could go about getting into them and what they needed as prerequisites to get into them. That was the primary activity of the Ministry of Colleges and Universities for all those years.

The second question I have relates to an activity the minister mentioned last Monday regarding the elimination—the radical, surgical removal—of the secretariats within government and those ministers who were responsible for co-ordination of the various policy deals. My question relates not to the elimination of the

ministers but to the roles the staff of each of those groups or secretariats are now fulfilling within government because, to my knowledge, none has disappeared.

I am aware that they must be employed somewhere within government and I am curious to know just how much was saved as a result of eliminating the secretariat when the ministry managed to keep all the staff and all it got rid of was the ministers. In addition, I noted with interest not very long ago in the newspaper that there was an advertisement for an executive director of the justice section of the government of Ontario, which seems to be serving precisely the same role as the deputy minister. I suppose he would not have to be paid at a deputy minister's level, and I am presuming it is a he, but I doubt it would be much less than that.

I wonder whether the minister could answer those three questions.

Hon. Ms. Caplan: The question regarding the secretariat is a question in Orders and Notices. A full and complete answer is being prepared at this time and will be tabled shortly.

Regarding the necessity of advertising, we have made a commitment to ensure that all necessary advertising will be done. Only that which we felt could be eliminated without in any way harming the necessary communications of the government would be eliminated and/or constrained.

5:10 p.m.

We looked at the total budget, approximately \$25 million. We looked at what had been uncommitted, which was approximately \$11 million; so \$3 million was constrained on the basis that it could be done without harming the program of the individual ministries. It is an area we will be looking at very carefully over the next year to ensure that the government's message is delivered in an appropriate manner but kept within reason and not allowed to expand at a rate we have felt is unacceptable.

I would like to say a few words concerning the individuals the member is referring to on the reassignment. As the member knows, when positions are declared surplus, employees have an opportunity to apply for other positions. The Civil Service Commission is very humane in its attempt to ensure that employees find other opportunities within the Ontario public service. The people the member refers to have been treated justly and fairly. Many have been reassigned to other responsibilities in other ministries. That is the proper way for a responsible employer to act when jobs are changed or

eliminated. We have acted as a responsible employer.

Miss Stephenson: I wonder if it would be possible for the minister to provide us with the information about the actual, factual saving as a result of that radical surgery. Will the minister reconsider the list of ministries which apparently have suffered at the hands of her surgery?

The only publications from the Ministry of Colleges and Universities are Horizons and the Ontario student assistance program information sharing, both of which are vital to students in the post-secondary area. If she is going to cut that back significantly, then we are doing a disservice to those students. I would hate to see that happen.

Is that an example of what is happening in her so-called modification of radical growth? There was never any radical growth in the advertising budget in the Ministry of Colleges and Universities. If it had not been expended, it was simply because they did not have the stuff ready to put out yet. The OSAP budget is absolutely essential for the students. I would hope the timing has not decreased the capability of that ministry to provide post-secondary students with the information they need to continue to pursue their post-secondary education.

Hon. Ms. Caplan: I assure the member for York Mills that all essential and necessary communications will be undertaken by this government.

Mr. Ashe: Very briefly, I have a question tying into the disposal of the secretariats, which my colleague has just raised. The minister's earlier answer was that it was being answered in Orders and Notices. I was not, nor was my colleague, looking for the in-depth answer but some broad look at the numbers.

I presume there was something in the order of a couple of hundred total staff for the various secretariats—not each one, but all of them together. One presumes there is a net decrease in the size of the public service. Then one refers to the budget of the Treasurer (Mr. Nixon), which for the first time in a decade will show a growth in the size of the public service, totalling about 700.

Can the minister rationalize where all these 700 people in the net increase, plus offsetting the couple of hundred from the secretariats, have been? Part of the answer is the Young Offenders Act, but I do not think that is all of it. We are talking about nearly 1,000 people, taking into account the decrease and the increase.

Hon. Ms. Caplan: The member is quite correct. The Young Offenders Act in itself has

required in excess of 600 new employees within the civil service.

Mr. Ashe: I am not sure that is the answer. I acknowledged that was a fair number; but when we are talking about a net increase as per the Treasurer's budget of about 700, plus a decrease of 200 from the secretariats, in effect somewhere else there are at least another 300 employees who have come into the public service.

Under the previous administration, there was a regular and constant decrease in the size of the public service during the last decade.

Hon. Ms. Caplan: The total is approximately 638. The numbers are, particularly for the Young Offenders Act, in the Ministry of the Attorney General, 43; Community and Social Services, 45, and Correctional Services, 550. That accounts for almost all of the increase. As well, I believe in the Ministry of Labour there was some additional staff for the backlog in human rights cases through the Ontario Human Rights Commission.

Mr. Chairman: Does any other member wish to participate in the estimates?

Has the minister completed?

Hon. Ms. Caplan: Yes.

Vote 501 agreed to.

Votes 502 to 505, inclusive, agreed to.

Mr. Chairman: This completes consideration of the estimates of the Management Board of Cabinet.

On motion by Hon. Ms. Caplan, the committee of supply reported certain resolutions.

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 51, An Act to amend the Gasoline Tax Act.

Mr. Ashe: Although this is an extremely important piece of tax legislation which has direct impact on the consumers of Ontario, I note the Treasurer (Mr. Nixon) is not present. I think it would possibly be in order that the Speaker and members in this chamber take an early dinner hour this evening, pending the attendance of the Treasurer for this very important topic.

The House recessed at 5:20 p.m.

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Monday, December 9, 1985

Evening Sitting

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Clerk of the House: R. G. Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, December 9, 1985

The House resumed at 8 p.m.

Mr. Barlow: Mr. Speaker, on a point of personal privilege: I would like to bring to your attention that one other member of this House, the member for Grey-Bruce (Mr. Sargent), has joined me in the wearing of a bow tie. I was not here this afternoon but perhaps he was. I would like to congratulate him on wearing a bow tie.

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 51, An Act to amend the Gasoline Tax Act.

Mr. Speaker: Are there any other members wishing to participate in the debate?

Mr. McCague: Mr. Speaker, I—

Mr. McClellan: He has spoken already.

Mr. Speaker: I thought he did too.

Mr. McCague: I did not, Mr. Speaker.

Mr. Speaker: The honourable member cannot speak a second time.

Mr. McCague: That would be true, Mr. Speaker, had I spoken the first time.

Mr. Speaker: On Bill 51?

Mr. McCague: On Bill 51.

Mr. Speaker: Okay, the member for Dufferin-Simcoe.

Mr. McCague: Any challenges?

Mr. Foulds: Mr. Speaker, on a point of order: What actually happened is he spoke on this bill while another piece of legislation was up for debate.

Mr. McCague: Even though the honourable member and I are in different parties, I resent that remark. I do not think I have ever said the same thing to him, but now that he has mentioned it, I might just elaborate on how irrelevant his comments were on this bill.

One of the subjects in this bill, as I recall it, is the ad valorem tax. When the member was challenged on ad valorem taxes, he said tobacco, fuel and gasoline were the only ad valorem taxes the previous government had instituted. He went on at great odds—

Mr. Foulds: Odds? Lengths, I never speak at length in this House.

Mr. McCague: —and ends to prove that other taxes were not ad valorem taxes. That is a long way from the truth. Income tax is an ad valorem tax based on the amount of income one has. Sales tax is based on price.

Mr. Foulds: The honourable member has indicated that something I have said in this House was “a long way from the truth.” I believe that is unparliamentary and I would ask the member to withdraw it.

Mr. Speaker: I am sure the honourable member will reconsider his comments, withdraw them and then carry on with his discussion of the bill. It has been requested that the member withdraw.

Mr. McCague: If it offends the tender ears of the honourable member, who in different words tried to say I was doing things that were not proper, if I accused him of doing things that were improper I withdraw it and just say his comments were far more irrelevant than any I have ever made in this House.

Mr. Speaker: I thank the honourable member for withdrawing that. I am sure he will continue with the discussion on the bill before the House.

Mr. McCague: Yes, I would be most pleased to do so.

It is a coincidence that the Treasurer (Mr. Nixon), who knows I have all kinds of respect for him as I hope he has for me, would be introducing Bill 51, An Act to amend the Gasoline Tax Act, when his chief adviser now is no longer the Ontario Economic Council but the group at Earl’s garage. I am sure if there were any place in the world he could get good advice on a gasoline tax act it would be at Earl’s garage.

I suggest the Treasurer got so wrapped up in doing away with the words “ad valorem,” which he did not understand, the New Democratic Party does not understand and the former government did understand, that even now he is causing himself a great many problems and many hours in this House just because of the simple fact that he wanted to do away with the two words “ad valorem.”

I could have understood what he was attempting to do if he had not introduced a tax that was higher than the ad valorem tax the previous government put on gasoline. He may argue that the previous tax was 20 per cent, but the previous government understood that when prices rose to a certain level, the 20 per cent seemed a little high. We froze the tax at 8.4 cents and 8.6 cents. The Treasurer, adding those together and averaging them, came out with something like 8.8 cents. His mathematics are the same as those of the member for Port Arthur (Mr. Foulds)—

Mr. Martel: Good mathematics.

Mr. McCague: Entirely irrelevant.

I fail to understand, and my constituents feel the same way, how the Treasurer could be so intent on getting rid of an ad valorem tax that was less than the tax he wants to impose.

Hon. Mr. Nixon: The lights are going out; flick that last switch.

Mr. McCague: I will be glad to sit down at any time they shut off all the lights. I would not blame the Treasurer for having them all shut off. The whole thing is a hoax. We should have been done with this weeks ago, but it is so uncharacteristic of the Treasurer that we cannot just let this malarkey go.

I hope the Treasurer will not hesitate to talk to me from time to time privately in this House. We have another tax here—I believe the aviation fuel tax is in this bill—which was at the level of 1.77 cents per litre and which the Treasurer wants to increase to 1.88 cents per litre. The Treasurer decided he would bring down the gasoline tax to 8.3 cents, which he claimed to be the average of the other three taxes based on volume and everything else. We find it very difficult to either accept or reject that figure, so we will take it that it is honest.

Why did the Treasurer not keep the 1.77 instead of the 1.88? He said, "Nobody has raised any objection to it." My heavens, surely the least he can do in this bill is be consistent. If the NDP persuaded him to come down to 8.3 on the one tax, surely he could come down to 1.77, which it was before, on the other tax. If he does not choose to do that we will have an amendment for him to work on and we will introduce that when—

Mr. Foulds: Where are all these mysterious amendments?

8:10 p.m.

Mr. McCague: They do not come until committee of the whole House, as I understand it. We did not have the opportunity to negotiate whatever the tax was going to be prior to second

reading of the bill, as they, the assistive devices to the party over there did.

Mr. Martel: The ad valorem tax went up without a bill every time; taxation without representation.

Mr. McCague: Pardon? I am not hearing the member. I am sorry, Mr. Speaker. I should not be disturbed by it.

Mr. Martel: The Americans fought a war over taxation without representation.

Mr. McCague: That may be. Anyway, the Treasurer suggested in this House for some years that the government—

Hon. Mr. Kerrio: Is this a filibuster? Let us get on with the bill.

Mr. McCague: We are getting on with the bill. Would the page mind taking a copy of this over to the member for Niagara Falls so he can understand what we are talking about?

One of the subjects I know was mentioned on several occasions by the Treasurer and by other people from the party that used to be over here was that it would not be so difficult to raise taxes if the tax charged on fuel was dedicated to road and road-related construction. Rather than the hokum-pokum the Treasurer has indulged in of getting rid of an ad valorem tax, he could well have decided, and it might have been innovative, that the taxes raised on fuel would be used for highway construction. Not that it would be his idea, since it has been suggested by others. But he did not do that; he was so interested in playing games with the words "ad valorem" that he thought he could get rid of it at the same time he increased the tax.

It has been brought to our attention that if we were to use the tax from fuel towards road purposes, great things could be done across the province. I recall a resolution from Ottawa-Carleton. They wanted to levy their own tax on fuel so they could bring the roads in their region up to a reasonable standard.

Just today I received a report from The Road Information Program of Canada. I will admit that some of the things it says are a reflection on the previous government, but one of these days the Treasurer will realize they are now the government, that they now have the responsibility and that maybe they should listen to what people such as TRIP are saying.

They say: "Roads carry more goods in Ontario than all other modes of transportation put together. Direct, uncongested roads cut costs and make our industries more efficient. Today our industrial competitiveness depends more than

ever on good transportation, particularly as industry moves to just-in-time inventory management."

They go on in another paragraph to say: "While the funds allocated for municipal capital improvements in the recent budget were increased somewhat"—and in case the Treasurer gets ecstatic about that, we are told on a daily basis that the recent budget was our budget, so he cannot duck behind that one—"in contrast to the continued reduction in capital and construction funding for provincial highways over the last six years, the increase was not enough to begin to turn around what has become a poorer situation. As the TRIP study demonstrates, sensible management of our investment would dictate that funding for roads should be considerably increased in the provincial budget expected next spring."

Mr. Sargent: Is the member for or against it?

Mr. McCague: Either one or the other. Which way is the member? I know the Treasurer will want to considerably increase the budget of the Ministry of Transportation and Communications next year, and I know it will be based on the fact that he had hoped and still hopes to get considerably more revenue out of the various fuel taxes, and in this particular case the gasoline tax.

As the Treasurer knows, notice has been given that we are going to introduce a graduated tax as we hope prices will decrease. The Treasurer has been quietly disagreeing with the thought that prices for fuel may decrease. I am sure he has read the paper today which said the Organization of Petroleum Exporting Countries agreed to cut oil prices to retain sales. The Treasurer has wondered on a daily basis where we dug out the thought that oil prices might decrease. He has been very strong in his opinion that they would probably go the other way. I do not need to recite this whole article to him; no doubt he has read it. Has the Treasurer read it?

Hon. Mr. Nixon: Yes.

Mr. McCague: I see. Did he get both pages? I will leave it there in case he wishes to see it.

In view of that and in view of the burden of the tax, which I hear about on a continual basis, I hope the Treasurer agrees to the graduated tax which our party proposes to introduce. The people affected by this are the people who can least afford to bear the burden of the tax.

I was saying the Ottawa-Carleton region's desire is to be able to levy a tax on fuel and to get the permission of the Treasurer to do that, or to have the Treasurer dedicate all taxes raised through gasoline and other fuels to road construc-

tion. I must admit that in my time as Minister of Transportation and Communications the Treasurer of the day resisted that.

While the tax is significant to the people of the province, I fail to see why the Treasurer needs to raise this year—it was \$12 million and I understand it may go down as far as \$3 million in 1985-86, and maybe down as far as \$20 million in 1986-87—I fail to see why that is so important when the Treasurer is going to receive, through his increase in the personal income tax, up from 48 per cent to 50 per cent—which is four per cent and not two per cent as has been mentioned in this House on several occasions. When that is forecast to yield him \$150 million, which he does not include anywhere in his budget, why does he need to beiddling around with the fuel tax? Purely and simply, it is to get rid of the two words "ad valorem."

If it had been a gasoline tax, a diesel tax or a tobacco tax rather than an ad valorem tax, he would not have wanted to do it. But no, it is one of those petty little promises the government made during the election campaign which it chooses to honour in place of many of the others which are of much greater importance—roads, northern allowance for home owners, for householders, housing in the south, and many more. One could go on and on; he chose not to honour those promises.

8:20 p.m.

The Treasurer is purely and simply playing with words, dealing behind the scenes with the New Democratic Party and wasting the time of this House. I just do not understand it. As I said, he has other ways of raising money, and I do not understand the kind of game he is up to. There are other, more productive ways he can raise the money; unless he is prepared, as I suggested, to dedicate the taxes raised to road construction. The people of Ontario would understand and appreciate that and, I believe, would go along with it.

I thank the members for the opportunity to say a few words on this. I give notice again that we will be introducing an amendment that will graduate the tax down if the price goes down, which will reduce the 1.88 cents per litre in the bill to 1.77 cents per litre, the original price, which is what the Minister of Revenue purports to have done with the 8.3 cents he has introduced. I hope the minister can accept this and we will get the bill through later tonight or some time next week.

Mr. Martel: I have listened to the prattle for some time now by members who introduced ad

valorem into this Legislature a number of years ago because in that way the government could increase its revenues every three months without having to introduce a tax bill.

Mr. Pollock: Only if the price of gasoline goes up.

Mr. Martel: I am coming to that. It could raise the taxes whenever it wanted, every three months. We know what was happening to the world price of gasoline; it was going up regularly, and the Tories did not have to come to the Legislature with a piece of legislation to increase taxes.

A revolution was fought in the United States on something called taxation without representation. My friends were successful, because they had the advantage of numbers, in introducing that type of escalation of tax every three months. They were happy. Their friends in Alberta were jacking the price up and got us into this mess.

Mr. Pierce: It was the federal Liberals.

Mr. Martel: No, it had nothing to do with Trudeau. I am no fan of Pierre Elliott Trudeau, but it was the Tories in Alberta who were insisting on world price. The Tories could hitch their star to that wagon and jazz the Ontario taxpayer every three months without ever having to introduce a piece of legislation to justify their tax increase to the citizens of this province.

Mr. Pollock: That works both ways.

Mr. Martel: It has not worked for years. We have had the ad valorem tax for a number of years, and all we have seen is a rise in taxes imposed by the province every three months. There is a principle in the democratic process that talks about taxation and says legislation has to be introduced to get the tax that one wants.

This was a neat little way never to be blamed for the increased price of gasoline. The citizens of Ontario continued to pay and suffer an increase, and the Tories did not get blamed, because one cannot fight a piece of legislation that is not there.

Mr. Pollock: The Devil is going to get the member for Sudbury East.

Mr. Martel: My friend says the Devil is going to get us, but one can always demand. If governments are sensitive to the people's rights in Ontario and if the price drops, then surely a sensitive government would bring back a piece of legislation on this.

When the member for Rainy River (Mr. Pierce) talks about common sense, I say to him that those of us in the north who travel great distances, unlike those in southern Ontario—

Mr. Pollock: I travel great distances.

Mr. Martel: My goodness, the member does not even know what distance is here. Many of the people I represent in the Sudbury basin live in the town of Capreol and travel to Levack to work. That is about 54 miles one way.

Mr. Pollock: Last Wednesday night I drove from here to Bancroft and back.

Mr. Martel: Does the member drive home every day?

The Deputy Speaker: Order. Will the member please address the chair.

Mr. Martel: The workers I represent have to travel great distances to and from work every day. People who live in a little community called Sturgeon Falls and go 55 miles to Sudbury and about another eight miles to Copper Cliff travel more than 120 miles a day. We are pleased the government listened to our request and rather than getting 8.8 cents we are talking about 8.3 cents. That is half a cent a litre. When one is travelling from Sturgeon Falls to Copper Cliff, more than 120 miles a day five times a week, that is a substantial saving.

Mr. Villeneuve: What if they have diesel cars?

Mr. Martel: There are so many people with diesel cars.

Mr. Villeneuve: If they have diesel trucks they have to let them idle all day.

Mr. Martel: There are not very many of us like my friend who drive a Mercedes-Benz or some such car.

Mr. McClellan: Tory fat cats.

Mr. Martel: He is a Tory fat cat.

Mr. Villeneuve: What about trucks?

Mr. Martel: I am about to be provoked. Interjections.

The Deputy Speaker: Order.

Mr. Martel: I am going to tell the Speaker a little story. When some of those guys were growing up they were so miserable, I am told, that their mothers had to tie a pork chop around their necks so the family pet would play with them. That is how nasty they were, and they are continuing that tonight. We need some pork chops for these fellows.

I am going to tell them anyway. Instead of 8.8 cents, 8.3 cents for people in northern Ontario who travel great distances to work is a real assistance; and 8.6 cents is what I was paying in provincial tax. The other day in Sudbury I think I

paid 55.5 cents per litre. I can recall when it was that much a gallon or less, but this is for a litre.

I suggested during the negotiations this government had that it should establish a royal commission on gasoline prices. I am going to tell members why. When we converted to litres from gallons there was a difference of about two and a half to four cents a gallon between leaded and unleaded gasoline; now it is about 13 or 14 cents.

The environmental people in Ottawa who did a study indicated the added cost per gallon is about 2.4 cents. We slipped into this. I remember raising it with a number of Tory cabinet ministers and trying to get them to look at why that price difference of two and a half to four cents per gallon between leaded and unleaded gasoline was now up to about 13 or 14 cents. We are being taken to the cleaners. The industry says it is the new equipment.

8:30 p.m.

I can recall my friend Bud Germa from Sudbury saying to me he could remember that, prior to the war, leaded gasoline was more expensive than unleaded gasoline. An additive was needed: lead. To pay for that, leaded gasoline cost more. Now, without lead, it is about 12 or 13 cents a gallon more if one talks about gallons instead of litres. It slipped by all of us as it went from two and a half cents more per litre to three, four and five cents more. Now it is up to 12 or 13 cents more per gallon. We are getting shafted in that area.

The government should have a royal commission on this instead of the little internal group that is doing the review. There is something wrong in the state of Denmark when we have that much of a price difference for a gallon of gasoline. It happened so gently, a little at a time, and now there is a difference of 13 or 14 cents. That should be examined.

We are being taken to the cleaners. The gasoline companies say it is because of the cost of their equipment and because they are producing more. I always listen to those free enterprisers because, as members know, I am a great free enterpriser at heart. When my friend Bob Elgie was the minister defending this, the gasoline companies told him it was because they were producing more and because of the cost of equipment. Under free enterprise, is the theory not that the more one produces the cheaper it can be produced? If that is the case with gasoline, why is it that the spread continues to increase?

If we want people to start using unleaded gasoline, we have to do what the Treasurer has done and make the tax on unleaded gasoline no

greater than the tax on regular gasoline. How can we encourage people to move to unleaded gasoline to conserve the environment if we are charging more for it? My friends to my right do not understand that. I heard a lot of prattle this afternoon from them about Inco and Falconbridge. They used to announce all the new control orders in January when the House was not sitting. The Minister of the Environment would give Inco a new order in January. It could not even be raised in the House. It was a fait accompli.

For the past couple of weeks I have listened to debate on this bill and I have found that most Tories never spoke to the bill. If we go back and look at the various pieces of legislation that have come up for second reading, most of the time was spent on everything else but the bill we were discussing.

Mr. Andrewes: That is silly.

Mr. Martel: Would the member like to put his money where his mouth is? If we want people to use unleaded gasoline, one of the ways is the way we suggested to the Treasurer. In his own wisdom, the Treasurer has seen fit to introduce that type of thing, so we have across-the-board taxation for all levels of gasoline. That means more people will start to buy unleaded gasoline, and that will conserve the environment for us.

I commend the Treasurer, but I want to go back to my friends to my right who keep prattling about the price of oil going down.

Mr. Andrewes: Did the member read the paper today?

Mr. Martel: I listened to all the stuff on the Organization of Petroleum Exporting Countries today as I drove down in my vehicle, which uses unleaded gasoline.

Mr. Andrewes: The member probably got one of those propane deals.

The Deputy Speaker: Order. The member has the floor.

Mr. Martel: Mr. Speaker, I need your help to keep those members under control. They have never seen so much freedom since they lost power. For the first time in their political lives they can say what they want to say. It is a novelty for them. Obviously, they are taking up the call.

Before this, when it was ad valorem and the price went up, like seals they put their hands up and their flippers down; if one threw them another fish, the flipper went up. They are finally getting something to say. It is too bad they did not speak when gasoline was going up and up in price

and there was no end to it. I never heard one Tory in this House suggest—

Mr. Jackson: Yes. There is one up there.

Mr. Andrewes: You heard one.

Interjections.

Mr. Martel: Pardon me. I must apologize. There was a Tory who took the problem seriously. It was my friend the member for Algoma-Manitoulin (Mr. Lane), who introduced a bill. I give my friend credit. I think I spoke on that occasion and supported it. He was the only Tory. The rest of the seals allowed the price to go up and up, and it did not matter what the citizens of Ontario paid. The sky would have been the limit for those birds.

Their friends Brian Mulroney and Michael Wilson will never let the price go down to reflect what is going on with the world price, if it goes down; that is guaranteed. We will get it that way. I do not see how they anticipate getting a reduction in Ontario, because if I understand what is going on federally they do not intend to let the price go down. It is a guaranteed price, and it cannot go down.

Mr. Pollock: Yes, it can.

Mr. Martel: How? With dynamite? In Ottawa? Let us get off it. He and I know it is not going to go down until Uncle Brian gets the message. With him, it is going to be never. We just saw him give away a whole industry. The Tories gave away the Avro Arrow, and now they are giving away de Havilland. They give away our technology as if it is going out of style. The Tories sell natural gas to the Americans cheaper than we can buy it in Ontario.

I listened to all their nonsense. Why do they not stop grandstanding? They know *ad valorem* was wrong; it was taxation without representation. As long as they were making money they did not care. As long as they were in power they did not care—except for the member for Algoma-Manitoulin, who to his credit got up and said something was wrong. It is too bad the rest of them did not have a little courage to support him. I think his resolution went through; but then it died, did it not?

Mr. Lane: It got vetoed.

Mr. Martel: It got vetoed. That was led by the member for Mississauga East (Mr. Gregory), was it not? Perhaps it was the member for Don Mills (Mr. Timbrell); I do not know. They all got up and voted against it except for the member for Algoma-Manitoulin.

If we have a level that is equal across the board at 8.3 cents per litre instead of 8.8 cents per litre,

for us that is a significant saving to the residents of the province. It is a saving for those in northern Ontario who drive many miles per year.

May I throw in another one before I take my seat? Do the members remember when they tried to buy off people in northern Ontario by giving them a \$10 licence plate? That licence plate was up to \$24 under the Tories; it was nudged up every year. I did not hear my friend the member for Cornwall or anyone from any of those areas say a word about that. That is what—

Mr. Villeneuve: The member for Cornwall was Samis; he was from Cornwall.

Mr. Pierce: It was a New Democrat from Cornwall.

The Deputy Speaker: Order. The member for Stormont, Dundas and Glengarry will let the member speak.

Mr. Martel: Stormont, Dundas or sundry places. He did not say a word. That \$10 licence was to appease the people of northern Ontario. It was at \$24 when those guys got defeated.

Mr. Pierce: What is it now?

8:40 p.m.

Mr. Martel: It is \$27, up \$3. However, they raised it \$14 from the time Leaping Leo gave us the big break in northern Ontario. It was gradually increased to \$24. That was supposed to be for the difference.

We argued back then that in northern Ontario we did not want it through our licence plates; we wanted it through the taxation of gasoline. If we can equalize the price of beer in the north, then we should be able to equalize the price of gasoline.

This is a step. At least the tax is equal on all brands. Those guys did not do it. They kept watching it drift up, and none of them said a word except to put up their flippers when they were told to.

I am pleased we at least got this Treasurer to go to 8.3 cents. It will be a benefit to every resident of northern Ontario.

Mr. McLean: I am pleased tonight to make some comments on Bill 51, An Act to amend the Gasoline Tax Act.

As we all know, the Treasurer has been in this House for a number of years and it is well documented how he felt about gasoline taxes and the adverse implications to the citizens and the economy. The highest gasoline tax ever in the history of Ontario is now imposed by this Treasurer. Never has any one government offered so much cynicism when genuine leadership and direction were called for.

In place of vision, they offer a double-A credit rating where Ontarians are used to triple-A rating, compassion and prudence.

What this government has produced is an admission of the most profound failure of all. Bill 51 is a bill to increase gas prices. It is a failure to understand what Ontario needs and requires, a failure to invest in the future, with a propensity to diminish our potential, our capacity and our ability as a people.

The Treasurer has tacked half a cent a litre on unleaded gasoline. It does not sound like a back-breaking burden for a motorist to bear. It means very little to the family that puts 20,000 kilometres on a vehicle in a year. How many such cases we have in this province I do not know, but in my riding we have a great many who must drive more than 100 kilometres one way to work. I have them in Simcoe East and I know my riding is not unique in this respect.

This is not going to help job creation one iota. It is going to put a crimp on jobs as they exist. This increase in the cost of driving is just one more hurdle for the worker trying to be a productive member of our society. The free market is already taking its increase from this same motorist with increased insurance costs, increased costs for vehicle purchase and, as members well know, increased costs in servicing the vehicle.

This is a cruel tax on commuters, many of whom put in two or more hours per day on the road getting to work and then face a similar amount of time for the return. This tax will add \$40 million a year in revenue for the government, but it hits like a sledgehammer the guy who must put in the kilometres to get to and from work.

As members know, farmers just love to pay taxes. They welcome the opportunity to add to their costs while their returns continue to diminish. The Treasurer knows all about farming and what it is like to pay taxes. Granted, the Treasurer did include \$6 million to help farmers quit the business, but he did nothing to help that productive farmer increase his productivity. In fact, we may just cut that safe margin for profit right to the quick.

The farmer is not forgotten in the Liberal budget. The Treasurer included an increase on the tax for diesel fuel as well. The lucky farmer uses both gas and diesel fuel to make a living.

Hon. Mr. Nixon: It is all rebated.

Mr. McLean: It is not all rebated, my friend.

Oh no, the farmer was not forgotten; he got hit with both barrels from the Liberal shotgun, the

shotgun of the Treasurer of St. George and Earl's service station where he meets to get his advice.

I had a little station near where I live in the little community of Dalston and we used to gather there in the evening and talk about what happened during the day. The service station is not there any more. Still, we used to gather in that little community, as the Treasurer will be well aware, and talk about what happened during the day, how the crops were and whose dog was hit by a car. I could go on and on about these little stories. Sometimes we even got into a little game of euchre at the service station.

Mr. G. I. Miller: Not for money.

Mr. McLean: No, we never played for money because we did not have any. However, we had more than we have now because of the Treasurer's budget.

On the farm I own, which I cannot afford to run any more and which my son has taken over, we have a car, a half-ton truck, a one-ton and the old car I drive; I cannot recall what it is. We pay tax on the fuel for that one-ton, which has a licence on it. That truck does all the work for the farm. It hauls sawdust, feed, everything the farm needs, and we pay tax on all the fuel to run the farm. We are not like a commuter. These commuters are here to stay.

Mr. Haggerty: They are subsidized too.

Mr. McLean: Yes. However, unlike the commuter, many a farmer is operating with a very thin line between getting by and going bankrupt. He will feel the full effect of this tax on fuel. He can ask for an increase in his products and he can also whistle Dixie; both actions would be equally productive.

Mr. Haggerty: Go to propane.

Mr. McLean: I have a little gas left yet.

During the election campaign, the Liberal Party promised to equalize prices in the north for milk and gasoline and also to introduce seasonally adjusted hydro rates. It promised much more, but these promises were not even hinted at in the budget. However, that gasoline tax hike was there and the promises be darned.

Tourism is a major industry in Canada and it has been a growth industry. Tourists, whether or not they are on pogo sticks, are few and far between in the riding of Simcoe East. We do not get to see them all that much. I have yet to talk with a tourist who has enjoyed seeing the price of gasoline jacked up by the province he is visiting.

I would like to remind the Liberal government and the Treasurer that many in my riding earn a living in the tourist trade. They do not prosper

through gouging the tourists. They succeed because of their ability to manage. Then the Treasurer comes along with his good-news budget, telling the tourist operator, "We will have to cut back further or pass along the increased costs to the tourists."

The Treasurer should realize much of the tourist traffic in my riding is from the United States. We feel grateful they choose our area to visit, but sooner or later these tourists are going to realize it is cheaper to travel to other areas than to Ontario.

Mr. Pierce: It is now.

Mr. McLean: Yes, it is. This gasoline tax is surely going to have a detrimental effect on our automobile trade and its sales. It will be felt as well in manufacturing.

I would like to remind the Treasurer that tourism was a \$6.9-billion industry in Ontario in 1983. The Minister of Tourism and Recreation (Mr. Eakins) is well aware of that. I know how much he wants to see tourists come to this province. Tourism provided 300,000 person-years of employment and six per cent of the gross provincial product per year.

The Treasurer has made a knee-jerk reaction to this industry: "It is prospering. Let us tax it." I would urge the Liberal government to look at this industry objectively. Can it bear the brunt of this tax on its very lifeblood, gasoline?

8:50 p.m.

Prices are generally higher in this country, regardless of the premium on American funds. I suppose in an abstract sense I should congratulate the Treasurer for getting just about everybody with his Liberal flyswatter budget. He got the farmer, he got the commuter and he nailed the tourist and the tourist industry, a fact of which I am sure his Minister of Tourism and Recreation is not very proud.

Gas pains are often a personal matter, but thanks to our Treasurer and his Liberal Party it is now a provincial complaint.

Mr. Pierce: I rise to speak on Bill 51. I am pleased to have the opportunity to contribute my thoughts and the concerns of the people of the Rainy River district to this debate. I listened to the member for Sudbury East (Mr. Martel) make reference to the miners in his area who travel great distances to work. Fortunately for my area—

Mr. Martel: They all got laid off.

Mr. Pierce: That is right. Given the contribution of the Minister of Northern Development and Mines (Mr. Fontaine), the Shebandowan

mine will be shut down, so they do not have to worry about that 180-mile-a-day trip.

Mr. Martel: The member for Kenora (Mr. Bernier) was awful, was he not?

Mr. Pierce: It was not the member for Kenora who shut down Inco at Shebandowan.

We have heard about the government's proposed increase in gasoline taxation. I have spoken on this subject in the past in the debate on the budget, but I think there is room to hear more about this tax. We need to hear because this tax demonstrates the kind of government we have in our province at the present time. We have a government that promises one thing and then does another.

During the campaign in the spring of the year, the now Premier (Mr. Peterson) went around telling everybody that if he were Premier and if his party formed the government, "Yes, ladies and gentlemen, we will have equalized gas prices throughout Ontario and we will also have equalized milk prices."

Mr. McLean: Did it happen?

Mr. Pierce: No. We have a government that promises one thing and then does another. We have a government that claims this tax is important, that the revenue it raises is important, and then runs away from it, thanks to the pressure from the official and only opposition party in this House.

Let me remind this House of what the Premier said in the spring. This is a quote used by the member for York South (Mr. Rae) during question period on October 28. I think this quotation is very apt and that is why I believe it should be read into the record again. On April 19 the present Premier said, "A Liberal government would vigorously oppose increased consumer taxes and higher gasoline prices without offsetting concessions to Ontario consumers." Some vigour and some opposition.

No sooner is the member for London Centre (Mr. Peterson) no longer Leader of the Opposition but Premier of Ontario and he changes his mind, and in his first budget he introduces higher gasoline taxes. We can say this about the Premier, he is consistent. He could not make up his mind on policy in opposition and he still cannot make up his mind as Premier.

Higher gas taxes were called evil in the spring. Come the fall, they are fair and responsible. What a difference a summer makes. The Premier stood with his Treasurer and said increased gas taxes were okay. They are not okay. The day after the introduction of this government's first budget, this party indicated its dissatisfaction

with the increased gas tax. We saw right away that it was unfair.

The Treasurer and his leader argued that they had really kept their promise. They said the gas tax was a promise they had made during the election campaign. They had promised to do away with the ad valorem gas tax and replace it with a tax that was flat. What they did not mention was that previous government had pegged the ad valorem tax while gas prices were rising. The previous government gave the consumers a break.

The Treasurer proposed to introduce a flat tax. He proposed a flat tax that would have resulted in taxation higher than the current ad valorem. His tax would peg the tax on gas at a time when gasoline prices are expected to fall. The Treasurer tried to hide what this tax was going to do. He tried, and I give him marks for that. He said the tax was necessary, he said it was progressive, he said it was fair and honest.

But all the smoke and mirrors did not fool this House, nor did it fool the people in the Rainy River district. They saw what the Treasurer's proposed tax was going to do. They saw his tax goal quite clearly. This tax is going to gouge every motorist in the province. The Treasurer is going to peg taxation at a higher rate than the previous tax.

My riding, bordering on Minnesota, is a fine example of what is happening with the gas tax. A number of people in my riding are able to go across the border into Minnesota and buy their gas at 32 cents a litre in US currency. The consumers on the Rainy River district border can save \$12.80 in Canadian dollars on a 20-gallon tank. While they are over there saving their money on gas, they buy the products normally produced by the farmer in Ontario. They buy the dairy products that do not have protection. They buy their chickens, their eggs and their cheeses.

Hon. Mr. Kerrio: Mulroney has taken over and ruined the country.

Mr. Pierce: I will tell the member world prices were not proposed by the Mulroney government.

Members on this side of the House recognized it immediately, colleagues in my caucus recognized it immediately, and I have to say even the New Democratic Party recognized it. In the days following the budget and in the budget debate, members representing northern ridings rose in their places and protested the tax. The new members for Timiskaming (Mr. Ramsay), Sault Ste. Marie (Mr. Morin-Strom) and Lake Nipigon

(Mr. Pouliot) all pointed out that this proposed tax increase was unfair to the north.

Where was the member for Cochrane North (Mr. Fontaine), the new Minister of Northern Development and Mines? Probably eating his words. Throughout the election the member campaigned hard on how he was going to come down to Queen's Park and see an equalized price for gasoline throughout Ontario.

Gasoline is more expensive in the north. I hear my friend from Sudbury saying he bought gas at 55 cents a litre. Gas at 55 cents a litre in my riding is a price-war price. Our gas is 57.9 cents on any given day of the week. Put a higher tax on it and it will become more expensive, and when the cost of gas goes up everything that relies on gas to move around goes up as well.

Voters of Cochrane North sent the present Minister of Northern Development and Mines to Queen's Park to get a fair price for gasoline. I know the member will say I must wait and see. That is his answer to all the questions during question period, "Wait and see." The north has waited and the north has seen nothing as yet.

We have seen the minister sit silent while his colleague the Treasurer introduces legislation that he knew would gouge the drivers, legislation that will hurt the north more than any other region in the province. The minister sat silent, forgetting his responsibilities to speak up for the north in cabinet.

9 p.m.

It is no fluke there are more members on this side of the House than there are on the other side. It is no fluke when the north sees what kind of treatment and what kind of representation it gets from the government and the party in power.

The member for Cochrane North may still want to tell me, "Wait and see," but the north has seen enough. They have seen the member do nothing. He was mum in both official languages at a time when he could have redeemed his promise to the voters whom he was elected to serve.

This tax is unfair. It is unfair to all Ontarians because it does not hit the people on the basis of income; it hits only those who drive, and it hits with equal intensity those who drive for pleasure and those who drive out of necessity.

The district I represent relies very heavily on tourism, and I am sure the Minister of Tourism and Recreation (Mr. Eakins) will recognize that statistics show tourism has decreased by 2,000 since 1984.

In surveys that were conducted among Americans crossing the border points, they were asked,

"Why are you not coming to Ontario any more, or in lesser numbers?" They cited two reasons; one was the high cost of gasoline, and the other was the high cost of food products in Ontario.

These surveys are known to the party on the other side, the party that now has the power to rectify the problems it claims have been building up for the past 42 years. They have the opportunity to correct those measures, but what do they do? Nothing. In fact, it is hard to tell the difference in colour.

This tax is unfair to all Ontarians, but it is unfair to northerners especially. Why? Because the cost of gasoline is higher in the north. A tax that pegs the taxation of gasoline at a higher level is only going to increase that burden on individual northerners.

People of the north do not object to paying taxes. They are prepared to drive 100, 180 or 250 miles to get to a job. That is how committed they are to paying taxes in this province. They do not mind paying for the services, but they do mind it when they believe they are being taken advantage of. They do mind it when they are being gouged, and this proposed tax is a gouge.

This tax is unfair to the north for other reasons. Look at a map of Ontario. The north takes in the largest part of the province. The north is as large as two or more of the European nations put together; it surpasses in land mass all of France or all of Germany. My own riding of Rainy River rivals in size some of the American states.

Because of all that geography, people in the north have to rely on the automobile; few can walk to work. As some members have humorously pointed out during the course of this debate, there is no subway between northern communities.

Our basic transportation in the north is the automobile. If the government raises the gasoline tax, it raises the cost of living. If it raises the gasoline tax, it raises the cost of all the goods that are shipped and brought in by road and all the goods that are manufactured to be taken out to the markets in the east. The government makes it much more expensive to live in the north. We are a hardy bunch in the north, but our pocketbooks will stand only so much of this kind of taxation.

Hon. Mr. Kerrio: The Minister of Northern Development and Mines is going to help.

Mr. Pierce: He is going to help us all right. During the minister's visit to northern Ontario on Saturday afternoon he said, "If you want the answers, ask God." That is how he is going to help us in the north.

Let us look at the budget as a whole for a moment—

Hon. Mr. Fontaine: Mr. Speaker, on a point of order: First, what the honourable member said is not true. I did not say that. I want him to take those two words off because I am not God.

The Acting Speaker (Mr. Morin): It is a point of view. Please continue.

Mr. Pierce: I will withdraw that comment.

Let us remember what this budget will do for the north. Let us remember that the Treasurer slashed transfers to northern communities, and let us remember that he slashed funds for northern road repairs and the budget for the Ministry of Tourism and Recreation—key concerns for the north. On top of that, the Treasurer then proposes to raise the tax on gasoline. To northerners, the tax increase is not only unwarranted, it is outrageous and unfair. No northerner can, in good conscience, stand by the Treasurer's tax bill as it currently reads. No northerner who has been in touch with our people in our community can support this tax. It must be defeated.

We, on this side of the House, believe a sliding scale is a fair solution. We believe the Minister of Natural Resources (Mr. Kerrio) should hear this. We believe it makes sense for a gasoline tax, if there is to be a gasoline tax, to obey the cycle of the marketplace. We see nothing wrong with that, especially now that the price of gasoline is expected to fall. We believe the driving public deserves a break at the gas pumps. That is our belief and we urge the government to give that idea consideration.

When I was elected to serve the people of Rainy River, I looked forward to coming to Queen's Park. I looked forward to the experience because I wanted to make a positive contribution to life in Ontario, especially in the north. So far, I have only been able to make a positive contribution by alerting the north to the excesses of the current government.

The gas tax legislation proves only one thing. This government does not have the competence to adequately meet the needs of the region and its people, who must be served. There is more to being a government than driving around the province in limousines at taxpayers' expense. There is more to being a government than sitting around a big table and talking big ideas. There is a basic responsibility to provide good government, sound administration and to present fair laws. The gas tax is not good, not sound, nor fair. It is irresponsible legislation that I, for one, am pleased to defeat.

Let me warn the government that this kind of sloppiness will not be tolerated by my colleagues. It will not be tolerated by the people of Ontario. Ontario deserves competent government. It does not deserve government by charade, a government learning on the job and a government changing its policy from one moment to the next. That is what I have seen so far. This gas tax bill represents the situation clearly.

In normal circumstances, members of this House would be calling for resignations, but we appreciate the difficulty of the Premier. We appreciate that he does not have a very deep pool of talent to draw from. We appreciate that he must make do with what he has, but we put this government on notice to shape up its act or stand aside for those who can do a better job.

9:10 p.m.

Let us not have any more gas tax bills. Let us have the kind of government that Ontarians have grown to expect and deserves. Good government is all we ask for.

Mr. Rowe: I, too, am pleased to rise in my place this evening to express my concerns with respect to Bill 51, An Act to amend the Gasoline Tax Act.

Perhaps for a moment I can share this with the Treasurer, who happens to be leaning back in his chair. The night is getting long, the hour is late and I noticed the Treasurer was leaning back in his chair. He looks rather tired. I can appreciate the kind of day the Treasurer of this great province puts in, but I would like to share with him a short story about a great parliamentarian, Sir John A. Macdonald.

The House was late, much as it is this evening, and Sir John was listening to a long-winded speech from an honourable member of the opposition named Sir Wilfrid Laurier. Sir Wilfrid Laurier got very upset at Sir John who happened to doze off, as the Treasurer almost did a few minutes ago.

The Leader of the Opposition took offence at that and he happened to mention it to the Speaker, much as we mention things to you, Mr. Speaker. He said: "Mr. Speaker, I take offence at a Prime Minister who would lean back in his chair and look up at the great ceiling in this House while I am in a very important debate," much like the debate on the gasoline tax this evening. He said, "I take offence at that."

Sir John stood up and said: "Mr. Speaker, I apologize, but I want to share with the Leader of the Opposition what I was dreaming about. It is very important he should know this. I dreamt that I passed away in my old age and was on my way

ascending to heaven. I got to the Golden Gate and I said to St. Peter, 'St. Peter, may I come in?' St. Peter said, 'Who is it who goes there?' I said: 'Sir John A. Macdonald, St. Peter. I have been leader of the Conservative Party of Canada, the greatest party Canada has ever known. I have been Prime Minister of this country for many years.'"

Hon. Mr. Kerrio: St Peter said, "You are headed in the wrong direction."

Mr. Rowe: The member should not tell where he may go. We want to talk about this.

Hon. Mr. Kerrio: I have lots of friends there.

Mr. Rowe: He said, "St. Peter, may I enter?" St. Peter said, "I am sorry, but you cannot."

Poor old Sir John came back down the long flight of steps and half way down he met the Leader of the Opposition of the Liberal Party, Sir Wilfrid Laurier, who said: "Sir John, you look despondent. What is wrong?" He said: "Oh, Wilfrid, I got to the corner of the gate, to the front steps and I was turned back. I am an old man. I guess I am going down all the way to the bottom." "Fear not, John. We have differed in our political opinions of each other and in our persuasions"—as we do with the party to my left and the party across the House from time to time—"but jump on my shoulders, Sir John, and I will carry you to the top."

Sir John said to Wilfrid, "That is a wonderful gesture and I will do that." He got on to Sir Wilfrid's shoulders and rode to the top. He reached up and rapped on the big door and said, "May I come in?" St. Peter said, "Who goes there?" He said, "It is Sir John A. Macdonald, St. Peter." He said, "Are you mounted or are you on foot?" He said, "I am mounted, St. Peter." St. Peter said, "Tie that ass up and come on in."

Coming from the free enterprise section of Ontario, the healthiest section, the section that built this province into what it is today, I realize governments must have revenues to operate. Our party realizes perhaps better than any party in this House that governments must have revenues to meet the demands of the day.

I wish to direct my remarks this evening to the effect the increase on gasoline will have on my riding, the riding of Simcoe Centre, and the effect it will have on the tourist industry, the agricultural industry and the transportation industry, all of which are very important in my riding of Simcoe Centre.

For those who are not familiar with it, the riding of Simcoe Centre stretches from Christian Island in the north, located on a beautiful body of water called Georgian Bay, to the most southern end of the riding, the rich, black soil more

commonly known as the Holland Marsh, the vegetable bin of Ontario. To the north of this great riding is one of the greatest waterway systems in the world. Let the House think about this for a moment: not just Ontario, not just Canada, not just the United States but the world.

The waterway system linking Lake Simcoe in the south to Georgian Bay in the north is a system that, when one travels this distance by pleasure craft, boasts ships from all parts of the United States and Canada, and indeed many pleasure craft from all over the world. All of these ships, or a majority of them, burn a fuel called gasoline. All of these pleasure craft have people on board referred to as tourists.

A person or persons visiting our great province from another country or another province in Canada, or perhaps from another part of this great province, have money in their pockets to spend along the waterway system in buying all sorts of goods, and of necessity they buy gasoline to operate their craft. An increase in an already overtaxed product will add a further burden to this great pleasure craft tourist industry.

Hon. Mr. Kerrio: Some of those poor people in their \$500,000 yachts could not pay the gas tax.

Mr. Rowe: I say to the member across the House, who is filled with verbal diarrhoea this evening, that those pleasure craft do indeed put money into the pocket of the Minister of Tourism and Recreation and into the pocket of this province. I am not defending the \$500,000 ships. I am simply pointing out that they, too, have a role to fill in this province.

The American tourist, of whom we have spoken often in this House, cannot understand why the gas is so much cheaper on his waterways and in his marinas than it is in ours. His dollar may be worth 35 per cent more, but his feeling is that there just is not the value in the dollar in Ontario today there was a few years ago.

I refer to an article that appeared in the Toronto Star not very long ago, which shows there were seven million fewer visitors to Canada, not just Ontario, between 1981 and 1984. There are some interesting quotes with respect to an industry that is in difficulty. It is going to be worse in 1985, just to bring the minister of doom and gloom for the last few years up to date, it says it is going to be worse in 1985.

Robert DeGrace, who is president of the Canadian Restaurant and Foodservices Association, says "the first six months of 1985 show a deficit running well above \$2 billion. If we did a survey of Americans leaving Canada after a visit,

I am sure one of the first things they would mention is the high cost of gas, food and alcohol.... Statscan reports that most of the 33 million Americans who visited last year went home the same day." I wonder how many more will go home the same day when they have to face the gas pumps.

Mr. Pierce: They will not even come this year.

Mr. Rowe: Indeed, they may not come, as the member for Rainy River states.

I note with interest the statement of the present Minister of Tourism and Recreation on May 16, 1984, when he was critic for his party. He said an interesting thing: "We are overtaxed and therefore we are overpriced and have lost our competitive advantage." Is that not something?

Mr. Lane: That is the same guy.

9:20 p.m.

Mr. Rowe: The same Minister of Tourism and Recreation who was standing somewhere over here as a critic of Tourism. Things have changed now. Follow me and walk this way.

"Nowhere is it more evident than in our centres that are close to our neighbours in the US, where liquor, tobacco, gasoline, meals and hotels are taxed in drastically different ways." That is quite a quote. Gasoline, he says. I wonder what the minister feels now with respect to the tourist industry; does he think we are still overtaxed on gasoline? I am glad to see the minister is nodding that he agrees.

There is hardly a wheel that moves, an engine that starts, a suit of clothes on one's back or a plastic lunch pail for children at school that is not affected and does not contain byproducts of gasoline. The effect of this tax is far greater than simply leaving the riding of Simcoe Centre, for example, and driving to Toronto or destinations well beyond. As stated earlier, we will soon force our own residents out of this province and into the United States to buy cheaper gas, clothes and meals. All this will mean is that they will do their vacationing in the United States, not here in Ontario.

We have some of the greatest ski resorts in Ontario in my riding, such as Snow Valley, Horseshoe Valley, Medonte Mountain and the list goes on. I am sure the Minister of Tourism and Recreation is aware of them. These resorts employ hundreds of people, both full-time and part-time. A lot of young people rely on jobs such as this for their spending money, people who are working themselves through high school, university and different courses. They all depend on

skiers, who must first get to these resorts by car or bus, many of which rely on gasoline. When gas goes up so does the overall cost of transportation. Thus the package ski weekends and all other related items increase as the price of gas increases.

Simcoe Centre and the surrounding area has been designated by the federal government as one of three special year-round tourist areas in Canada: spring, summer, fall and winter. The majority of those tourists must travel to see these seasonal sights, whether it be water skiing in the summer or a trip to watch the leaves turn colour in the fall. Whether it be early, late or some other time in the fall, I say to the Minister of Agriculture and Food (Mr. Riddell), it is in the fall. Perhaps they want a trip to the Muskokas in the spring. They all have to travel, and that is where it is going to have an effect on these most valuable customers called tourists, whom we so desperately need.

We have all heard about the effect an increase in gasoline will have on the transportation industry. The price of tires, the price of gas; it is all going to cost more. All the increases I speak of will result in higher transportation costs, higher costs per mile. It all causes increases to the customers, which in turn eventually fuels inflation to the residents of this great province. There is much more involved here than just a fillup at the pumps.

An industry very dear and important to my riding is agriculture, both in the Holland Marsh area and in the higher parts where the farmers grow corn, high grains and feed cattle. I realize most of the members in this great chamber have addressed this issue at one point or another. However, I must ask the Treasurer, a man who knows very well the present financial plight of the farmer, does he not feel a gasoline tax that decreases as the price of fuel drops, such as our party is proposing, would be a welcome break to the agricultural industry?

Most farmers have gasoline pickups and cars. They too must travel. They cannot simply say they will pass this increase on to the consumer and charge more for the product. The Treasurer knows full well that is not possible.

What do we tell those people who have made a living working themselves to exhaustion day and night, who are facing financial chaos, who cannot sleep at night worried about their own and their families' futures? What do we tell them with respect to a further financial burden on their operations? "It is too bad; I am sorry about it. That is the way the Treasurer wants to do it."

That is not a responsible answer to give our constituents, the farmers, the original entrepreneurs of this great province.

Bill 51, as it now stands, would far better serve all the constituents of this great province with our amendment. All residents would receive a fair reduction, a fair break so to speak, on their gasoline expenses. Why not allow all the people of Ontario to share in a reduction of world fuel prices?

We see in today's *Globe and Mail* that ministers of the Organization of Petroleum Exporting Countries agreed in principle yesterday to stop trying to prop up petroleum prices. Instead, they will seek a stable share of the world market. This decision could speed up the decline in oil prices that many analysts are predicting for early next year.

Mr. Martel: I hope Mulroney does not let my friend down.

Mr. Rowe: The only letdown in this House is to my left.

This news is further proof of the merit of the amendment our party is proposing, something which the members to my left were scoffing at last week as we stood here and talked about making a possible amendment. The Chicken Little, doom-and-gloom attitudes over here are unbelievable. The party said last week, "Gasoline will never go down; gas will only go up."

Mr. Foulds: It is only the member's gas that is going up.

Mr. Rowe: I say to the third party, do not be too sure it is not its gas that is going up.

There has been more gas in this House to the left of me than there has ever been before. I listen day after day to comments such as, "What did your party do after 42 years about this or that?" whether it be the price of gasoline or peaches. I hear it from the government benches and from the party to my far left. I find their constant one-liners are wearing thin.

Mr. Gillies: They have only one.

Mr. Rowe: That is true, especially on an item such as the reduction of tax on gasoline when prices go down. I cannot believe that a party which says its first and foremost concern is the welfare and wellbeing of all the working class could oppose an amendment that would allow gasoline tax to go down as the price of world gasoline goes down. I do not know how its members can go back home and tell their people that they are not going to vote for this amendment. As the member for Brantford (Mr. Gillies) said, I am sure they will go home eventually-

Mr. Foulds: Show us the amendment.

Mr. Rowe: In the fullness of time the amendment will appear.

Interjection.

Mr. Rowe: I have some real estate for him in Florida.

A party like the party to my left absolutely amazes me at times as to how it could vote against this bill. It may not, but I hope it will vote for our amendment. That would help the average worker.

The hour is late and I am sure there are other honourable members who wish to address this bill, so I will close by asking my acquaintances to the left before they retire this evening—if they ever do; they are such a hard-working bunch they stay up all night at times—to give consideration to our amendment when it does come forward, and it will come forward.

Mr. Foulds: How can we until we see it?

Mr. Rowe: Do not be in a hurry about this. That is the problem with that party: sometimes it gets in a hurry and gets itself before the cart.

Mr. Foulds: The member has been talking about this amendment for two weeks and we have not seen it.

The Acting Speaker (Mr. Morin): Order.

Mr. Rowe: Before they retire this evening, maybe they will think about the amendment we will put forth and do what is the best for the people of this province; that is, support the amendment we will put forth to this bill.

9:30 p.m.

Mr. Partington: I am pleased to participate in this debate on Bill 51, An Act to Amend the Gasoline Tax Act.

Mr. Warner: Why?

Mr. Partington: Why am I happy to speak? Whenever the member is here to listen to me, I am happy to speak.

I want to speak against the act, however. Originally frozen at an increase of 8.8 cents per litre, it has now been decided that the freezing will take effect at 8.3 cents per litre. In any event, this freezing of the tax at 8.3 cents per litre has the effect of watering down the real value of a gallon of gasoline whenever the price of gasoline at the service station is reduced. If the gasoline price goes down, this government will take a bigger share of the price. That is clearly wrong. The tax may be frozen at an upper limit of 8.3 cents, but it must drop whenever the price of gasoline drops.

The taxes that have been introduced in the past few weeks are breaking the taxpayers of this province. We have the Gasoline Tax Amendment Act tonight, but we have had the fuel tax increase and income tax increases as well as the land transfer tax increase, which will probably do as much to stimulate housing in this province as the four per cent rent control this government is introducing. I ask the member for Scarborough North (Mr. Curling) to consider lobbying his fellow members to lift or at least maintain the land transfer tax as it has been over many years so the housing industry can provide affordable housing for many people of Ontario.

Hon. Mr. Curling: Say more about housing.

Mr. Partington: I will; I will meet the minister later and give him some of my views.

I was also disappointed to see in the budget an across-the-board tax increase on wine of 10 cents per 750-millilitre bottle.

Hon. Mr. Kerrio: Is this a throne speech or what?

Mr. Partington: My friend the member for Niagara Falls should pay heed, because it affects his constituents. The market share of Ontario wines has fallen from 54 per cent in 1983 to 38 per cent in 1985. I encourage the government to reconsider that.

The Acting Speaker: Order. The debate is on the gasoline tax.

Mr. Partington: Yes, it is. The gasoline tax is the one tax that has added too much to the burden of the taxpayers of Ontario. As one person has said, "One thing is sure: the man who said taxes keep us halfway broke was a bad judge of distance."

The consumers need relief from taxes. Reasonable, fair taxes are acceptable, but a tax that takes an increasing percentage of our dollar without making the message fair is unfair, unjust and is simple greed. It has a psychological effect on consumers. The consumer expects to pay a fair tax, but when the government takes an increasing percentage of the price of a product, that is not just. I am sure the taxpayers will become angry when the message is known; that message will become known as the price of gasoline drops.

There is considerable evidence to indicate that the price of gasoline will drop in the future. Many experts have said this. Philip Verleger, an independent economic consultant from Washington, told a conference on oil and natural gas in Calgary on September 23 that world oil prices

could drop to less than half their current values by 1987.

James McNabb, the manager of the economic policy division of Conoco Inc. –

Mr. Foulds: He has been quoted in this debate before, has he not?

Mr. Partington: This guy is very knowledgeable; he deserves to be quoted again. He told the Calgary conference that he sees a low of \$20 a barrel for crude oil through the late 1980s.

It is important if that price is going to drop, the government's take of gasoline should drop with it. As I indicated before, these taxes in themselves may not be onerous but, taken together, they are very onerous and have a bad effect on the economy of Ontario.

It was mentioned by my friend to the left a few minutes ago that tourism would be badly affected by this increased tax grab. Certainly when we see not too many miles from here in the United States that it is \$10 or \$12 cheaper than it is here to fill up a 20-gallon tank, it is no wonder, as my friend said, that we have millions fewer visitors to Ontario now than we had in the past.

This bill should be sending out a spirit of fairness, not only to the people of Ontario but also to the people south of the border. The people south of the border were already hurt earlier this year in a way that affected the Ontario economy with respect to the road-use tax. That is an upfront tax that charter bus companies pay to Ontario to bring in the many thousands of tourists they bring in each year. This year, these people were pulled off to the side of the road and threatened with fines if they did not pay the tax.

Mr. Warner: There is a bus leaving soon. The member should be under it.

Mr. Partington: My friend to the left should know that in the city of Niagara Falls, which is represented by the member across the way, there are 500 busloads a year. Each bus brings an average of 45 persons a year into Niagara Falls and other areas to spend millions of dollars. In a letter from Charter Bus Unlimited to the Festival Country Travel Association, Mark Slater, the vice-president of this company, said:

"Bob, in order to cut losses, I am immediately ordering our sales staff to halt promotion of all tours to Ontario departing through December 1985. We enjoy working with the friendly people in Ontario and we know that tourism is a major part of the Ontario economy, but we must look out for the best interests of our company. We sincerely hope that this tax will be rescinded so that injury to the reputation and wallets of our neighbours in Ontario can be minimized."

The theme of that letter was endorsed by the regional municipality of Haldimand-Norfolk and the regional municipality of Niagara.

The spirit of this act, which freezes the tax and which by design grabs a bigger share of the price of a litre of gas as the price drops, is unfair, unjust and spiritually wrong. This government should, with a fair mind, allow an adjustment, so the upper limit will be 8.3 cents but it will float downward as oil prices drop, as they surely will. We hope this government will show us its true, fair spirit.

Mr. Sheppard: I rise to give a few points and ideas on what the people of the great riding of Northumberland think about Bill 51, An Act to amend the Gasoline Tax Act.

The farmers in my area think this is a terrible bill. After all, we have more than farmers in the great riding of Northumberland. Just yesterday, I was at a little cocktail party and I ran into the former mayor –

Mr. McCague: How much did it cost the member?

Mr. Sheppard: I could not afford to go because the gasoline tax was too expensive.

Anyway, I was there—the Minister of Tourism and Recreation (Mr. Eakins) should not go away—and so was the former mayor of Cobourg, Jack Heenan. He was mayor when the minister was mayor of the town of Lindsay. Jack Heenan ran on the Liberal ticket on October 17, 1963. He asked me, "Do you know my good friend John Eakins from Lindsay?" I said: "Yes. As you know, he is the new Minister of Tourism and Recreation."

Interjection.

The Deputy Speaker: Order.

9:40 p.m.

Mr. Sheppard: Is something wrong?

The Deputy Speaker: Yes. The member is interjecting and he is not in his seat.

Mr. Sheppard: Good point. Throw him out. I can finish my story now, and he is not in his seat and he cannot interject.

Anyway, there was Stan McBride, who was mayor of Peterborough at the same time, and Mike Wladyka, who was mayor of Port Hope.

I just want to tell the minister I live on the south shore of Rice Lake, which is 22 miles long, and one goes right through the middle of my farm to get down to Rice Lake. One of the best tourist resorts is on the south shore of Rice Lake.

Mr. McCague: I have been there.

Mr. Sheppard: Good, I am glad the member has been there. Nevertheless, the tourist operators on the south shore of Rice Lake depend for a lot of their business on people coming from the United States. They fill up their cars and they drive all the way over to the south shore of Rice Lake, they fish all day and they drive home on the same tank of gasoline. They cannot afford to buy the gasoline in Ontario because it is too expensive, so they drive home and they drive back the next day, fish all day and then they drive home again.

The Minister of Natural Resources (Mr. Kerrio) does not believe that, but if he would come over and visit the great riding of Northumberland, I would take him down and I could prove it just by talking to the tourists who come over. They would love to spend more money but gasoline is just too expensive. I want the minister to listen because that is the truth and he knows it is the truth.

We have other things in the great riding of Northumberland. We have farmers, and I was just talking to a farmer this morning. His tractor broke down and he took it to the Ford dealership in Peterborough—

Mr. Gillies: Is it a Massey?

Mr. Sheppard: It is a blue Ford and it was going to cost him \$4,000 just to put a head in it. He does not know whether he can afford to fix it because the farm prices are not good enough and gasoline is too expensive. He said, "I do not know whether I am going to go out of the farming business or not, because the new Minister of Agriculture and Food (Mr. Riddell) is not doing enough for the farmers," in Ontario as well as Northumberland.

We have a lot of other people who have to buy gasoline in connection with farming. We have truckers. The trucker I use, W. G. Broadworth, trucks cattle to Toronto, but in order to survive he has to bring feed back; gasoline is too expensive. We have to convince the Treasurer that he has to lower that gas tax.

Interjection.

Mr. Sheppard: I was coming to that. Then we have the milk transporters. We have two or three transporters and just last week one laid off a driver because gasoline was so expensive he did not have enough money left over to pay the rest of his drivers.

Mr. Gillies: A job lost?

Mr. Sheppard: A job lost because gasoline was too expensive. In order to keep the good

men, he had to lay off the lowest one on the totem pole.

It is getting very serious in Northumberland just as all over Ontario. The member for Simcoe Centre (Mr. Rowe) is a racehorse man and I have a lot of racehorse men in my riding and they have to drive to Kawartha Downs or Barrie or Orangeville. They are complaining about the people not going to the racetracks because gasoline is too expensive. If they were lucky and could make a dollar by betting, they would go more often.

Hon. Mr. Kerrio: We feel as though we are driving the horses from over here. The member knows what we are looking at.

Mr. Sheppard: What are members opposite looking at?

Hon. Mr. Kerrio: I can tell what it looks like.

Mr. Sheppard: I would love to see the minister on a bike trying to drive a racehorse. All we have to do is call on the member for Simcoe Centre. He would teach the minister some really good lessons. I know what the minister would do; he would grab the horse's tail and then it would be over.

Besides racehorse men in Northumberland, we have a great many consumers who just cannot afford the extra gasoline tax even to go into town to buy their groceries. Sometimes they have to buddy-up to get to town because they cannot afford the extra gasoline to get there.

We have Valley View Transport in Campbellford. They truck cattle and hogs from the assembly yards to Montreal and Toronto and they are talking about going out of business because they cannot get a load back from Montreal, Chatham or Toronto, or wherever they end up with the hogs. From the assembly line, wherever they are sent, they have to make sure that the truck is there. They are wondering when the Treasurer or the Minister of Agriculture and Food is going to help them out, because they talk to farmers every day and it is the farmers who keep this great riding of the province going.

Hon. Mr. Kerrio: Are they charging the tax already, before the bill is passed?

Mr. Sheppard: They sure are.

The Deputy Speaker: Order.

Mr. Sheppard: No. When they pull up to the pumps, they—

Interjection.

The Deputy Speaker: Carry on.

Mr. Sheppard: I want to get right into his act because we have commercial fishermen in our

riding and they are saying he has not given them a fair break. The mesh they use is a quarter of an inch too big; there are all kinds of fish down there but he will not let them catch them. The problem is it takes gasoline to take those boats out on the Brighton bay. That extra tax the Treasurer is going to put on—

Interjections.

An hon. member: There are the trucks that haul corn.

Mr. Sheppard: I am just getting to that. Then they have the trucks which take corn from the combines to Port Hope or to threshers in Trenton to get it dried and then they haul it home. There are quite a few hills in Northumberland and it takes more gas when one goes up and down those hills with trucks loaded. The farmers just cannot afford that extra burden.

Besides the farmers, we have a few loggers. I know the Minister of Education (Mr. Conway) has come up through Northumberland on Highway 30 and Highway 45. One day, he actually came up Highway 45 through the reforestation. He saw a few loggers who were taking out some trees and some pulpwood. He said, "That is a beautiful forest." I said, "Yes, it is beautiful just after the frost hits all those beautiful trees and you are just sailing down through there." Still, we have to pay for gas to get those logs to market and the pulpwood to Trenton and down to where they truck it.

It is a terrible tax. The member for Simcoe Centre mentioned skiing resorts. We have the Northumberland ski hill, and many local people drive to it. We have one in Durham forest.

Mr. Haggerty: It costs money for salt and sand. You have to get it someplace.

Mr. Sheppard: Yes. It costs money to buy gas to go out there. They are concerned that with this extra burden they are going to be able to go out only once a week or maybe once a month because they cannot afford the extra tax on the gas.

9:50 p.m.

Then we come to county council. If we want our roads salted and sanded so the majority of people can get to work, it costs a lot to buy extra gas for the trucks to put on the salt and sand to keep the highways in good condition.

Since the last time I was speaking about the last tax, the Minister of Transportation and Communications (Mr. Fulton) has seen fit to order a contract worth \$1.3 million to pave and rebuild the highway from Cobourg to Port Hope. He is going to start approximately May 20. That

is one good thing. I am glad he got the message the last time I was speaking when I said in this House that Highway 401 from Cobourg to Brighton was in terrible shape.

I just hope there are not too many accidents, because a week ago Thursday they had to shut Highway 401 at Burnham because it was in a terrible state. There were cars all over the highway, a tractor-trailer crosswise, and traffic was held up for two hours and 35 minutes.

Hon. Mr. Kerrio: What has that to do with Bill 51?

Mr. Sheppard: I am just telling the people in this House so they will realize when was the last time they took a little action.

Hon. Mr. Kerrio: There must be a connection here somewhere.

Mr. Sheppard: One other thing I want to mention is that the Northumberland and Newcastle bus operators are still fighting with the board of education to get a decent salary to transport children to the schools in Northumberland and Newcastle to get an education. They are hounding me, the trustees and the member for Durham East (Mr. Cureatz), saying: "The tax cannot go on because we just cannot afford it. We must have the buses in good order because the safety of the children is a top priority at all times."

I cannot support Bill 51. I would hope the people on the left would come along with the people on their right and vote against this bill.

Mr. O'Connor: I welcome this opportunity to provide a few comments to this House on Bill 51, An Act to amend the Gasoline Tax Act. I must admit I rise rather hesitantly with my eye to the left wondering whether I would be pre-empted by any of the members of the New Democratic Party whose turn it is to speak on this bill but who have declined to do so throughout this evening.

I am wondering why, inasmuch as their leader, the member for York South (Mr. Rae), indicated in general remarks following the budget debate that he rated the government efforts in the budget at a C minus. If the budget rated only that mark, surely he and his members would see fit to debate this matter. If it is that bad, why are they not up talking about it? Why are they not debating it?

One can only conclude that by not speaking on the matter, not voicing their views for their constituents and the people of Ontario, they are in favour of and stand for mediocrity. That is the conclusion we must all come to from the lack of involvement in this debate.

However, I must comment first on the general precepts of Bill 51, in that what it does or attempts to do, should it pass this House, is fix the tax on a litre of gasoline at 8.8 cents. No matter what the price of gasoline may be from time to time, no matter what the economic circumstances in Ontario might be, no matter what the world producers of oil may tell us the prices will be, the amount per litre that this government intends to extract from the people of Ontario will remain constant.

I should point out to the House that this approach to taxation is almost unique with respect to this bill. In virtually all other areas of taxation, be it income tax, sales tax, land transfer taxes or whatever other areas the government has become involved in when taxing the people of this province, there is a measure of progressivity or a sliding tax approach.

For example, in the case of sales tax there is a percentage tax approach of seven per cent. Thus the tax varies with the price of goods as they increase or decrease. In the income tax system we have the long-use progressivity concept, and at higher levels one pays higher taxes than at lower levels. Similarly, land transfer tax is a fixed percentage.

It has always been deemed fundamentally unfair to fix a flat tax on the price of a commodity regardless of its economic or market price. Surely it can be seen quite clearly by the government that this approach is not fair and not equitable to the people of this province.

We have heard a number of speakers this evening and on previous occasions, speaking from the point of view of their ridings or as critics and representatives of an industry or segment of the economy, talking of the devastating effects that a flat-rate tax at the level the government intends to peg it will have on various sectors of the economy in various areas of the province.

This evening we have heard from the member for Rainy River (Mr. Pierce) on the difficulties that will be encountered in the north if this tax is imposed in its present form. He has described to us the enormous distances that people in the north must travel on a daily basis to and from work, to and from shopping and to and from medical services, often in towns distant from the places where they live. The effect will be very significant for people living in the northern part of this province, especially in the winter months when the travelling is difficult in any event and the cost of travelling is increased.

We have heard of the difficulties that will be encountered by small businessmen, by pen-

sioners, by virtually everybody in Ontario. The average wage earner will have to pay more, not only for his own transportation needs and expenses to go to work, to shop, etc., but also for all the goods and commodities we all must consume. Virtually everything that we use, eat, wear and enjoy in this province must be transported in one way or other by truck, train or air, and it all involves an increase in cost if this iniquitous tax is imposed at the rate proposed.

We have heard from the member for Simcoe Centre of the effect on tourism—

Mr. Rowe: Terrible.

Mr. O'Connor: The terrible effect on tourism. Tourism is one of the largest industries in our province and as such, of course, is one of the largest producers of revenue for the government.

Perhaps the government had this in mind in imposing a tax of this nature, which will hit the tourism industry so hard. In most of the areas outside the large cities north of Metro Toronto, particularly in the Muskokas and the Kawartha Lakes district, tourism is the virtual lifeblood of the people. The member for Simcoe Centre has described the effect on boat owners, how they will have to incur increased costs to transport themselves through the lakes and river districts of the province.

We must allow our tourism industry to remain viable and competitive and to be able to attract tourists from outside Ontario, in particular from the United States, if we hope to survive in the large areas outside Metro.

10 p.m.

We have heard of the effect on the transportation industry and, of course, this is most obvious. Every cent more that every trucker, trucking company, van owner or commercial vehicle owner pays means more cost to all of us for the goods and services that are being transported by these methods.

The imposition of the tax at this time in our economic history is particularly iniquitous. I refer to the fact that at present we are entering into an era of falling oil prices. In that regard I note the lead story in today's Toronto Star. Perhaps the Minister of Natural Resources (Mr. Kerrio) has not read the paper today. The glaring headline reads, "OPEC Agrees to Cut Oil Prices to Retain Sales." I will read a few excerpts from this lead story in a newspaper that we all recognize has not been unkind to the government in the past.

"The decision"—that is, to cut oil prices—"...could speed the fall in world oil prices that many analysts had already been predicting for

early next year." Such a reduction in prices had already been predicted for next year. It goes on, "A cut of several dollars a barrel could mean lower consumer prices in Canada for gasoline and home heating oil."

Hon. Mr. Kerrio: Could.

Mr. O'Connor: Good? Excellent.

Hon. Mr. Kerrio: No, I said "could." I will believe it when I see it.

Mr. O'Connor: We all would welcome such an event, and the government should recognize that this is a real and distinct possibility.

Hon. Mr. Kerrio: Could.

Mr. O'Connor: The minister throws the word "could" across the floor at me. I am reading from the article. We have to understand who is saying that these prices could be declining, and it happens to be the Organization of Petroleum Exporting Countries, which is the largest trading organization in this commodity in the world, the people who virtually control the price of oil outside Canada.

The article continues: "It was not clear how far OPEC is willing to let its price fall, but Mana Saeed Oteiba, oil minister of the United Arab Emirates, was asked in an NBC News television interview whether he believed oil prices would fall to US\$20 a barrel next spring. He replied, 'Sure.'"

At \$20 a barrel, there will be a fall of almost \$18 a barrel from the top price paid for oil during the last several years. It is almost half the price.

Hon. Mr. Kerrio: That does not mean the consumers will get it. It means the oil companies will get it.

Mr. O'Connor: Surely the minister can readily see the unfairness of taxing a litre of gasoline at the same level whether the price from the oil wells is \$38 a barrel or \$20 a barrel. If he attempts to argue that \$20 a barrel will not reduce the price at the refinery and at the pump, he is sadly mistaken. There are falling oil prices in the future and, in the interests of fairness, surely there should be a sliding tax with respect to oil prices at our pumps on a per litre basis.

There is one other area of the bill on which I wish to make a few comments, and I made similar comments when we were discussing Bill 50 before the House. It is section 6, which deals with the repeal of the search-warrant powers granted under the act as it now stands to allow officers of the Ministry of Revenue to enter premises to search and seize documents and other written materials for the purpose of carrying on

investigations into alleged breaches of the Gasoline Tax Act.

We all recognize the necessity of giving that power to members of the ministry, to law enforcement persons, for the purpose of enforcing the provisions of this act. There can be, and often are, large amounts of money involved. Should citizens and companies take it upon themselves to attempt to circumvent the provisions of the act, the enforcers of the law need all the provisions of the law to bring them to justice.

However, the difficulty I see with regard to that repeal is that at present the section in the act, subsection 16(4), provides that such a search warrant can be granted only on the authority of a Supreme Court judge.

On previous occasions when debating this matter and passing the previous bill, this Legislature deemed that the authority to search and seize in these circumstances was of such significance and importance that only a judge of the highest court in this province could have the authority to allow the intrusion into private dwellings and other places to conduct such searches. The infringement of the rights of some of our citizens by being subjected to such searches, without their knowledge in some cases, was considered a matter of sufficient severity and importance that it could only be done on the authority of a Supreme Court judge and no one less.

The effect of deleting subsection 16(4) of the act by passing section 6 of the bill before the House is to commit such searches under the authority of section 42 of the Provincial Offences Act. That is a terrible situation. Section 42 of the Provincial Offences Act empowers search and seizure on the authority of justices of the peace and provincial court judges.

I do not have any difficulty with granting that authority to provincial court judges who are, for the most part, experienced lawyers who sit in court on a daily basis, hear trials and are very familiar with the criminal justice system, particularly the rules of evidence and practice. As such, I have confidence that their discretion is sufficient to allow such search procedure, that errors will not be made and that infringements of personal rights will not be encountered.

However, I do have some difficulty with permitting justices of the peace this very significant authority. The difficulty I see is this: Mostly, they are well-meaning, hard-working individuals. However, in many cases, they are not even lawyers. They may be part-time persons

paid on a per diem or per case by the Ministry of the Attorney General. Despite all their goodwill and effort, they may not have the experience and background to look sufficiently into the circumstances as to whether an intrusion of the individual rights of some of our citizens by means of a warrant to search their premises ought to be granted.

It is obvious that previous Legislatures felt the same, since that authority was given only to a judge of the Supreme Court and to no one less than that. As I indicated before, the minister should rethink section 6, which deletes that power, and perhaps leave that authority where it currently exists, with the Supreme Court judges.

10:10 p.m.

The last point I will make is with respect to our amendment. The amendment to be proposed by the official opposition will have the effect of capping the tax to be extracted on a litre of gasoline sold at the pumps at 8.3 cents. If the price falls below certain levels, the amount of tax extracted accordingly will be less on a scaled-down basis as the price falls.

Surely this approach is in keeping with the normally accepted and fair approach towards taxation in any area of our economy. As I mentioned at the outset, in the several areas where we do impose tax—in the income tax system, the sales tax system and the land transfer tax—the taxes are geared to the price of a commodity. If the price increases, the tax increases; if it decreases, the tax decreases.

Surely that reasonable approach is the fair, just and equitable way in which to tax our citizens.

The least fair method of doing it is a fixed tax which does not relate to the wholesale or retail price of the commodity, but which is extracted no matter what the price might be.

I will be voting for the amendment; I will be voting against the bill should the amendment fail, and I urge all members of this House to similarly use their right to vote in the interests of fairness and justice for the people of Ontario.

Mr. Cureatz: I am very proud to have the opportunity to be addressing Bill 51, An Act to amend the Gasoline Tax Act.

I would be remiss if I did not mention how curious we all are that noted on the front of the legislation is the name, Hon. R. Nixon, Minister of Revenue. The new traditional Liberal administration, in an attempt to make possible what it calls "open government," has, for some unknown reason, amalgamated a number of ministries.

Many members ask, "What does that do?" I hope all the members present will listen closely and adhere to my remarks. For those members not present, I know in the heart of my hearts that the members who are present will take copies of these cherished remarks and send them to their colleagues who are not present and who are missing the cherished pearls of my wisdom.

What happens when it amalgamates the various ministries as indicated under Bill 51? Do members know what happens?

There was a time when I knew a gentleman by the name of Bob Nixon. That is not referring to the Treasurer here. I refer to that person as the old Bob. The old Bob was very sympathetic to—

Mr. Speaker: Would the member refer to another member by his riding.

Mr. Cureatz: I am not referring to the honourable Treasurer. The Speaker will note very patiently that when I refer to the Treasurer, I refer to "the Treasurer."

This old Bob of whom I will speak at great length to—

Mr. Speaker: Order. I asked the member to respect the comments from the chair. If he is referring to another member, please refer to that member by his riding or his ministry.

Mr. Cureatz: Thank you very much, Mr. Speaker. I can assure you in these chambers when I refer to the time before the past election of May 2, 1985, when I say "the old Bob" I am not referring to the Treasurer. Can I not talk about a Bob whom I know? I will ask you as a point of order.

Mr. Speaker: I will listen once more.

Mr. Cureatz: There was an old Bob I used to know. He said to me many times that he was very concerned about open government. As fate would have it, his comments about open government were very particular and acute. His concern was that we had to make sure that people across the province had the opportunity of speaking to ministers of the crown such as the member for Niagara Falls (Mr. Kerrio).

I ask how the Treasurer, after the election of May 2 and now under Bill 51, An Act to amend the Gasoline Tax Act, the Hon. R. Nixon, Minister of Revenue, can even contemplate making himself available to people across the province while holding two ministerial positions.

I acknowledge the member for Niagara Falls who also holds two portfolios, and I say to him and I say to the Treasurer that in regard to their concerns about openness in their administration, we should be thinking as parliamentarians of the

ability of all people across Ontario to have the opportunity to speak to as many ministers of the crown as possible.

If the minister from Niagara Falls and the Minister of Revenue had the opportunity of serving in one portfolio only, that would allow an opportunity for someone in the back bench, such as the honourable member, the sole one there, who is waving his hand at me frantically and who is dying to serve in the administration of the Premier of Ontario. The government would have an opportunity to have more cabinet ministers and hence give this government the true openness it purports to have.

Hon. Mr. Kerrio: Mr. Speaker, on a point of order: That comment was very unfair. The members of the public who now speak to me speak to two ministers at the same time. That has to be an advantage.

Mr. Speaker: Order. With respect, I do not consider that a point of order. I have been listening very carefully to the member for Durham East and I wonder how he is going to tie this in to Bill 51.

Mr. Cureatz: I am just getting warmed up, Mr. Speaker.

I referred to Bill 51, An Act to amend the Gasoline Tax Act. As I indicated to all my colleagues in this sacred chamber, right on the front of the bill it says, "The Hon. R. Nixon, Minister of Revenue." I am deeply concerned that he is not only the Minister of Revenue but also the Treasurer of Ontario.

Time and time again I listened when I held the interesting position as Deputy Speaker. If I heard one speech from the Treasurer, I heard a thousand, about how, if he ever became an important person serving in the cabinet administration of Ontario, he would make sure the Ministry of Revenue and the Treasury would be amalgamated. Indeed they have been amalgamated and that has taken place, but I question now if with hindsight he has second thoughts about that.

They talk about open government. I am suggesting open government is more possible if we have more cabinet ministers to approach. If the Minister of Revenue relinquished that portfolio, when we are talking about Bill 51, An Act to amend the Gasoline Tax Act, and there was a new cabinet minister such as the member for Wentworth North (Mr. Ward), who would be the new Minister of Revenue, he would be bringing in Bill 51. There would be a new position and he could have the perks of office with the Buick

limousine, the yellow lights and the phone in the car.

I am just getting warmed up and I want to express my concerns about the front of Bill 51, An Act to amend the Gasoline Tax Act, where it states, "The Hon. R. Nixon, Minister of Revenue."

I always wanted to have an opportunity to discuss a little story about pieces of legislation that have been brought in by this government. It is an interesting story about the increase in gas taxes and its effect on tourism. Mr. Speaker, I think that is something you are going to be very concerned about, holding the position you have for such a long time in the area of Perth.

My wife and I had an opportunity four years ago to visit a place called the Benmiller Inn. Who has heard of the Benmiller Inn? Hands up. Shame. No one on the government side has heard of the Benmiller Inn. I am very confident the Minister of Health, the member for Huron-Bruce (Mr. Elston), has heard of the Benmiller Inn.

Mr. Speaker, I know you are getting a little fidgety. You are getting ants in your pants. Let me assure you I am tying this in to tourism and the increase in gas prices under Bill 51.

Mr. Speaker: I thought you wanted to leave the room.

10:20 p.m.

Mr. Cureatz: On occasion, my wife and I had an opportunity to visit the Benmiller Inn. Then at a later date, at a great time when we were the government of Ontario, I spoke on a budget speech. It so happens I brought up the fact that under the great administration of Bill Davis when the gasoline prices were low, unlike Bill 51, An Act to amend the Gasoline Tax Act, my wife and I had the opportunity of buying gasoline so we could visit the Benmiller Inn. I made that point in my remarks and I photostated Hansard. I complimented the administrator of the Benmiller Inn and I sent it out to Benmiller.

Lo and behold, about a month later, none other than the member for London Centre (Mr. Peterson)—who knows the member for London Centre? Quick, over there; anybody over there on the Liberal side, hands up: who knows the member for London Centre?

Interjection.

Mr. Cureatz: I do not think even the member for Wentworth North (Mr. Ward) knows who it is. The member for London Centre came up to me with hands shaking and in great trepidation, wondering what I was doing commenting about the Benmiller Inn.

Here comes the Minister of Health. I am sure he knows about the Benmiller Inn and the time my wife and I went out under the great administration of Bill Davis, when we did not have to pay the exorbitant gas tax as proposed under Bill 51. As a result, the member for London Centre was greatly concerned and greatly overwhelmed that I had the foresight to send a copy of Hansard out to the owner. He was already worried that the owner of the Benmiller Inn would not be sending monetary contributions to the Liberal Party of Ontario because I was making some inroads in acknowledging the owner of the Benmiller Inn in Hansard.

The point of the matter is that it grieves me to no end to think that under this act, Bill 51, there are now going to be fewer and fewer people wanting to go and visit that lovely establishment of the Benmiller Inn in the riding of Huron-Bruce. This kind of increase in gasoline taxes is going to affect not only us, the people of Ontario, but also visitors that we have.

What kind of "Ontario—yours to discover!" promotional program are we going to be able to have when we are going to be saying, with a little caveat at the bottom—for all the lawyers who remember what "caveat" means—that says: "By the way, the Honourable R. Nixon, Minister of Revenue, has increased gasoline prices so tourism will not be as easy. It will be more expensive for you in Ontario"?

I am just starting to get warmed up and I have all kinds of great and wonderful things I want to relate. For instance, I would not mind this increase in the gasoline tax under Bill 51 if the government had a commuter policy that would reflect the concerns of the people of southern Ontario around the Golden Horseshoe. What is their commuter policy? It is a hotchpotch mess.

We, under the great Conservative administration, had a program with a rapid GO Transit system from Newcastle to Hamilton. Now, under the new Minister of Transportation and Communications (Mr. Fulton), we have GO by early 1990. We were to have the GO rail commuter system by the late 1980s out to Oshawa and out to Hamilton.

Hon. Mr. Kerrio: Last election, the Conservatives did not go, they went.

Mr. Cureatz: I remind the Minister of Energy (Mr. Kerrio) who has the most seats in this chamber today. The Progressive Conservative Party of Ontario has the most seats in this chamber.

Does the minister want to talk about the coalition? Let us talk about the coalition and the

gas tax. Let us take a look. Does he remember this picture here? Does everybody remember this great picture, "Signed, sealed and delivered"? Do the members remember that picture?

Let us take a look at the agreement. We have to remind everybody about the agreement. Everyone forgets about the agreement. Does the agreement say anything about Bill 51? I bet nobody in that back row has read it. How about the member for Chatham-Kent (Mr. Bossy)? Has he read this agreement? Is he not embarrassed? Is he not ashamed of what it says here? I am going to refresh his memory of it. I will not bore the members at great length, because it is a very boring document, but is there any reference to Bill 51? It says here on document 2, "Proposals for action in first session for common campaign proposals."

The member for Hamilton East (Mr. Mackenzie) used to say to me, "When finally the Liberal Party gets amalgamated with our party, it will be great to get rid of the Liberal Party." Little does he know that the Liberal Party has hoodwinked him and I am embarrassed for him that he does not realize what happened.

It says here in this document, "Proposals for action in first session for common campaign proposals, to be implemented within a framework of fiscal responsibility." Wait until I get to the triple-A rating.

In page 2 of this proposal, the coalition government, is there any reference to Bill 51? Let us take a look at the third-last paragraph. I remind the member for Windsor-Riverside (Mr. D. S. Cooke) that it says, "Continue the prebudget freeze on the ad valorem gasoline tax and establish an inquiry into gas price differentials between northern and southern Ontario."

I do not know where the "establish an inquiry into gas price differentials between northern and southern Ontario" is. I have not heard any great announcement. All the front row of the Liberal administration is very proud. Every day before question period, they all stand up with great and wonderful pronouncements. I have not heard a pronouncement about this inquiry.

I understand a study is taking place. Is the study being done by a student? That is just terrific. I respect the students of Ontario. They have a very difficult, hard road to make sure their grades are adequate so they can seek employment. However, notwithstanding that, I think even the Treasurer has some hesitation about assigning a student to do the great and wonderful project to "establish an inquiry into gas price

differentials between northern and southern Ontario."

That does not even get to my original point, and that is the first part of the sentence, "Continue the prebudget freeze on the ad valorem gasoline tax." What do we get? Do the members know what we get? We get Bill 51, an increase in gas taxes. What do the minister's brothers in cahoots say about that? We do not hear them speaking out against the gas tax. Do the members know why? It is because they have this famous signed agreement. However, everyone likes to put it underneath the desk and forget about it.

It is important to bring this out to remind the people on our far left that they have a signed agreement, in writing, and they are embarrassed about it. They are embarrassed about Bill 51. I have a funny feeling that they feel in the gut of their stomachs a little hesitation about meeting quietly with the Treasurer and with the Minister of Revenue, who happens to be the same person, much to my surprise. I think they feel a little reticent that they have to meet quietly to discuss how they are going to save face under their written agreement, "An Agreement for a Reform Minority Parliament."

I have touched on the tourism aspect in regard to this increase in tax under Bill 51. I would like to mention some of the problems that will be encountered in my riding of Durham East. My riding, to refresh everyone's memory, has two distinct aspects, almost half the city of Oshawa and a large rural area—something similar perhaps to the riding of the member for St. Catharines (Mr. Bradley), who probably has a portion of rural area in his riding.

We can talk about the farmers in my community and the increase in funds they will have to spend in terms of Bill 51, An Act to amend the Gasoline Tax Act, notwithstanding an article in the *Globe and Mail*, "Just How Badly Are Our Farmers Hurting?" I feel embarrassed and ashamed for the member for Brant-Oxford-Norfolk (Mr. Nixon), to think that he is increasing taxes for our farm community under Bill 51, with his long tradition of a history of farming in St. George and going to Earl's Gulf and listening to all those concerns at Earl's Gulf in regard to gasoline taxes.

Hon. Mr. Nixon: Earl's Shell.

Mr. Cureatz: Earl's Shell. I even understand, and I hope the Minister of Revenue is listening to this point, that along Highway 2, gasoline stations are now renting mobile signs saying, "Thanks for the increase in gas taxes, Bob." Mr. Speaker, I am only quoting what the signs say on Highway 2. If I were a gas station owner and a provincial member of parliament, I would say, "Thanks for the increase in gas prices, Mr. Treasurer," but of course the people at the gas stations on Highway 2 do not realize the significance of these sacred chambers and the formalities we have to follow.

Time is moving on, and we have a great number of other interesting aspects to discuss in Bill 51. However, seeing it is close to 10:30 p.m., I will move the adjournment of the debate.

On motion by Mr. Cureatz, the debate was adjourned.

The House adjourned at 10:30 p.m.

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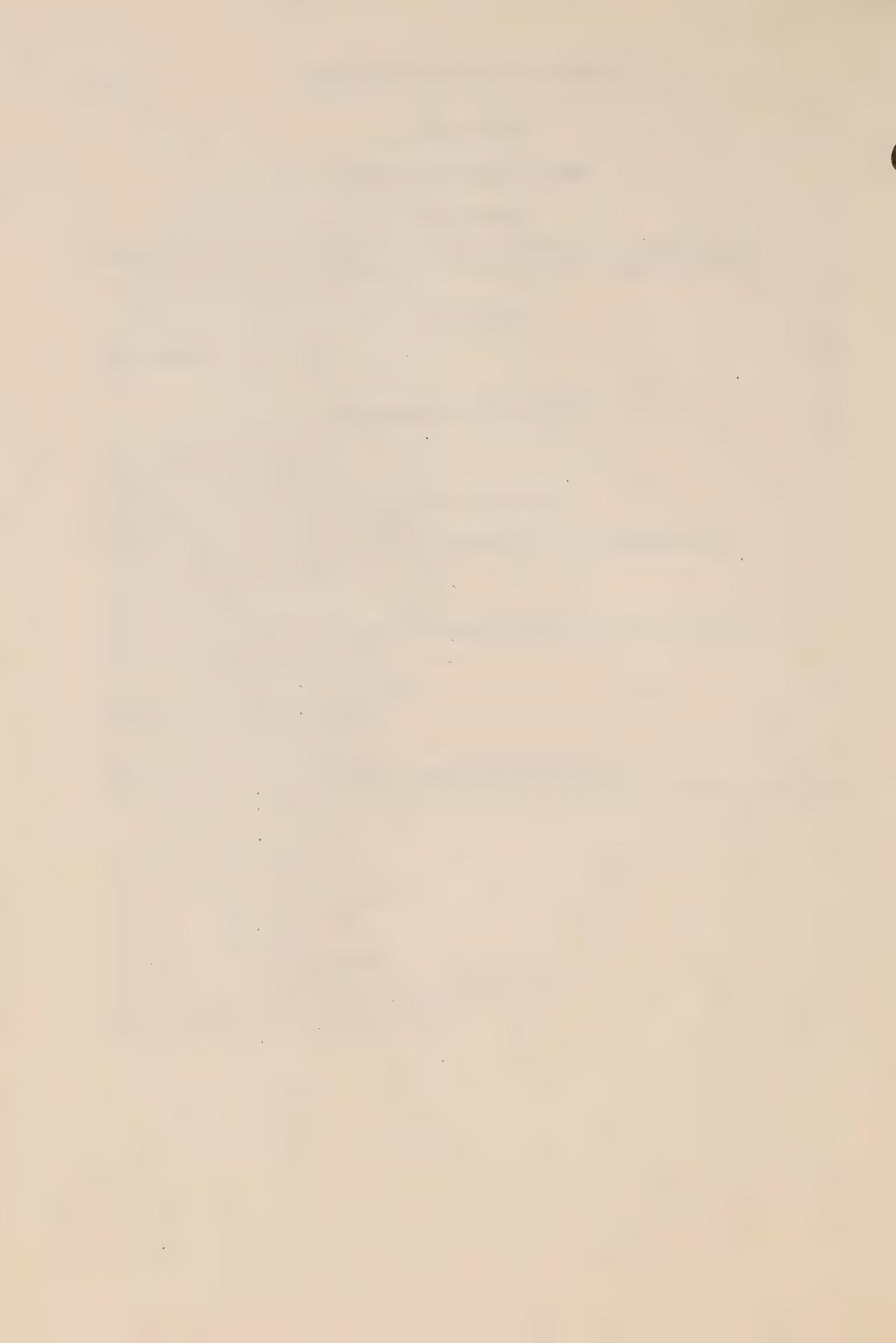
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No. 65

Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Tuesday, December 10, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, December 10, 1985

The House met at 2 p.m.

Prayers.

Mr. Speaker: I have a few matters that were carried over from yesterday's session.

HANSARD RECORD

Mr. Speaker: I would first of all like to refer to the matter raised by the member for Don Mills (Mr. Timbrell). I have received the report from the Hansard editor which confirms the member's statement. He reports with regret that an error was made and the sentence referred to by the member was inadvertently omitted in the copy transmitted to the printer.

The editor has apologized for this omission and has assured that an erratum notice will appear in the next House Hansard [see page 2318].

EMERGENCY FACILITY

Mr. Speaker: The next item is with reference to the matter raised by the member for Brantford (Mr. Gillies). He rose to submit that his remarks had been misconstrued by the Minister of Health (Mr. Elston). The precedents are ample that a member may rise to explain a material part of his speech that is misunderstood, but in such case he may not introduce new matter. I refer you to standing order 19(d). Again, it does not refer to any of the recognized privileges of parliament.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Speaker: Yesterday, the member for York South (Mr. Rae) raised a matter of privilege with respect to comments made by the Minister of Industry, Trade and Technology (Mr. O'Neil) last Friday concerning the possible sale of the Urban Transportation Development Corp.

The member for York South stated that the minister had made one statement to the House during oral question period and later qualified and changed the statement outside the House in remarks made to the press. As a consequence of these statements, the member for York South argued that he had been misinformed by the answer given by the minister with respect to the policy of the government on the sale of the corporation.

In response, the minister acknowledged that outside the House he had stated that he should not have told the House that he could make the guarantee of no loss of jobs, as he has ascertained since making his statement in the House.

It may be useful to stress the very nature of parliamentary privilege. Standing order 18(a) defines privilege as "the rights enjoyed by the House collectively and by the members of the House individually conferred by the Legislative Assembly Act and other statutes, or by practice, precedent, usage and custom."

Erskine May's Parliamentary Practice defines privilege as "the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals."

The privileges of the House or of its members include the right of free speech in parliament; immunity from arrest, detention or molestation for civil causes during defined periods; immunity of members from the obligation to serve on juries; the right of the House to set up its own rules; the power to expel members, and the power to order the arrest and imprisonment of persons guilty of contempt or breach of privilege.

I stress the essence of the definition of privilege itself so that honourable members will realize that it is only in very extreme circumstances that there can come to this House a legitimate case of privilege on the basis of the real and accepted and traditional definition of parliamentary privilege.

Both Beauchesne and Erskine May make it clear that the Speaker's role is to decide whether or not the member has an arguable point on which a motion may be based. Until he has decided this point, no motion is in order. Further, Beauchesne's fifth edition states that "statements made outside the House by a member may not be used as the base for a question of privilege."

In the present case, there is no breach of any recognized privileges of parliament which, as illustrated by the foregoing examples, are those privileges that members have that persons or

bodies do not. Therefore, no motion is in order in this instance.

PRESENTATION

Mr. G. I. Miller: On a point of information, Mr. Speaker: I would point out to the members that, to get us into the spirit of Christmas, the apples that are on members' desks today were grown in the fine orchards in Victoria, just south of Simcoe. They are Delicious apples, and we hope members enjoy them as we get into the Christmas spirit. I hope members will not use them for ammunition as we get a little out of control at times in the Legislature.

CHILDREN'S AID SOCIETY

Mr. R. F. Johnston: On a point of privilege, Mr. Speaker: I rise to correct the record from yesterday, when I made an error of which I would like to advise the House. While asking a question of the Minister of Community and Social Services (Mr. Sweeney), I said that his ministry was directly running the Kenora-Patricia Child and Family Services and that he was therefore responsible for matters there.

Today I would like to rise and recognize that in October 1984, through order in council, the past minister, Mr. Drea, did set up a board. I will quote from Mr. Drea's statement of that time:

"This new corporation will acquire its board of directors over the next several months, while my ministry continues to operate and manage the corporation.... Later, my ministry will assist in the role of a trustee until the new corporation is able to fulfil its total mandate without ministry assistance."

He then did set up a board of up to 13 people. My point is that even though four Indian chiefs were supposed to be on that board and although four municipalities were supposed to be represented on that board, plus people from the community, there are only two people on that board. They now meet with three members of the ministry and they deal with negotiations. Therefore, I was not incorrect in asserting that the ministry is controlling this board very directly in negotiations, and the minister should intervene to make sure he stops this strike.

Mr. Speaker: That is not a point of privilege. However, I would inform all members that there are other methods, such as a point of personal explanation, that may be covered under that.

2:10 p.m.

Mr. Pierce: Mr. Speaker, I rise on a point of privilege. I believe my privileges as a member of this House have been damaged. This past

weekend, the Minister of Northern Development and Mines (Mr. Fontaine) told the Fort Frances town council, "Jack Pierce and Leo Bernier are liars." His direct quote is: "And if you don't believe me, go and ask God."

Mr. Speaker: Order. The honourable member said he was getting up on a point of privilege. He has been telling me what happened outside the House. I have to say that is not a point of privilege.

Mr. Pierce: It is certainly a damaging statement to be made by any member of this House.

Mr. Speaker: Order. Would the honourable member resume his seat? It is not a point of privilege.

Mr. Gillies: Are you going to let the minister get away with that, Mr. Speaker?

Mr. Speaker: Order.

MINISTER'S BIRTHDAY

Hon. Mr. Nixon: Mr. Speaker, just before you call the order for statements by the ministry, I too have a point of order. It would be disorderly if we did not have a chance to wish the Minister of Agriculture and Food (Mr. Riddell) a happy birthday after all the hard work he has done in these past few weeks.

STATEMENTS BY THE MINISTRY

QUEEN'S COUNSEL

Hon. Mr. Peterson: There has been substantial public and professional criticism for many years about the practice of cabinet's granting letters patent of Queen's Counsel to lawyers of Ontario. As long ago as March 5, 1974, Mr. Justice Sydney Robins of the Ontario Court of Appeal, then the treasurer of the Law Society of Upper Canada and the holder of a Queen's Counsel appointment, said in an address to the Hamilton Lawyers' Club, "The whole system of awarding QCs is, in my view, misleading to the public and unfair to the legal profession."

Unfortunately, the situation described remains the same today. As recently as October 25, 1985, the Law Society of Upper Canada issued a communiqué to its members stating that the benchers recognized that the granting of QCs "has not been clearly related to the recognition of excellence at the bar." Moreover, no significant plan for reform has been instituted or even proposed in the past 20 years. The time has therefore come to abolish the system now.

Consequently, I am pleased to announce that our government intends to abolish the designation

tion of Queen's Counsel and revoke all existing provincial Queen's Counsel appointments in Ontario.

There are several reasons we are taking this action. First, it was intended that the Queen's Counsel appointment be modelled upon the English tradition. The legal profession in England is divided into two discrete components, barristers and solicitors. The appointment of Queen's Counsel in England is available only to barristers, not solicitors, and is based exclusively upon proven excellence as a courtroom advocate. I have the greatest admiration for those who have attained the stature of Queen's Counsel in England, based as it is on merit before Her Majesty's courts.

In our province, however, the practice of previous governments has been that any member in good standing of the Law Society of Upper Canada, whether a corporate lawyer, a courtroom lawyer or even a lawyer working in the private or public sector and not actively engaged in the practice of law, may be appointed a Queen's Counsel. Excellence in advocacy at the bar has not been a prerequisite to a Queen's Counsel appointment.

The second reason we are abolishing the Queen's Counsel designation in Ontario is that it misleads the public. I again quote Mr. Justice Robins from his speech to the Hamilton Lawyers' Club on March 5, 1974: "All too often the profession is left with the conclusion that this honour is granted more on the basis of who one knows rather than what one knows."

The third reason for abolishing the Queen's Counsel is that it has become unfair even to the practising lawyer. Lawyers themselves have become victims of the system. While it may not be a mark of merit to have a Queen's Counsel, it may be considered a mark of demerit not to have one at a certain stage of one's career and may even subject that lawyer to a competitive disadvantage among his peers for reasons wholly unconnected with his abilities in the law. Clients may attach unwarranted prestige to the designation. As a result, lawyers are pressured by the system to engage in an unseemly lobbying effort with other lawyers, influential citizens and politicians to secure the Queen's Counsel appointment.

The fourth reason for abolishing the Queen's Counsel designation is that the appointment, having strayed so far in Ontario from its traditional English roots, stands alone as an honour bestowed by government on the legal profession at a time when no similar honours are

granted to members of any other profession. The time has come to end this practice. We believe it is good policy to acknowledge distinguished public service by members of professional groups in Ontario. Such reward, however, should be distributed exclusively on the basis of achievement and, in any event, should not be limited to the legal profession.

Finally, we are abolishing the Queen's Counsel in Ontario because it has been used by previous governments as a form of political patronage. In its own way, I suppose, it has been the best form of patronage, if patronage is what we must have in Ontario politics: it is cheap, costing the taxpayers nothing; it gives the appointee a form of distinction, dubious though it may be, and it is essentially harmless. This government, however, makes its appointments on the basis of merit alone, on the basis of what a person can do rather than on whom a person knows. This government intends to appoint the best people, regardless of political affiliation, to assist us in the business of government.

The Attorney General (Mr. Scott) has written today to his colleague the Minister of Justice, John Crosbie, advising him of our action and asking him to make no new appointments of federal QCs in our province. He has also asked Mr. Crosbie to act in concert with this government by revoking all existing federal QC appointments in Ontario.

The Attorney General has also written to the Law Society of Upper Canada advising it of our action. I am mindful that the law society recently passed a motion calling for reforms in the appointment of Queen's Counsel. I believe our action today follows the spirit of that proposal, and we look forward to working with representatives of the bench and bar to see if we can return the method of appointing Queen's Counsel to its merit-based English roots of excellence in advocacy before the courts.

Interjections.

Mr. Speaker: Order.

[Interruption]

Mr. Speaker suspended proceedings at 2:19 p.m.

The House resumed at 2:24 p.m.

Mr. Brandt: On a point of privilege, Mr. Speaker: Relating to the announcement made by the Premier, I resent the inference that the appointments were political with respect to Queen's Counsels. Of the last three appointments in my riding, two were—

Mr. Speaker: Order. The honourable member will take his seat.

FOREST MANAGEMENT AGREEMENTS

Hon. Mr. Kerrio: I announced in this Legislature October 18 that the government is undertaking a number of initiatives to bring the public up to date on the health of Ontario's forest estate. One of those initiatives is the tabling of the first five-year reviews of forest management agreements signed in 1980.

The companies involved are Abitibi-Price Inc., Great Lakes Forest Products Ltd., Spruce Falls Power and Paper Co. Ltd.—each holding one forest management agreement—and E. B. Eddy Forest Products Ltd. which signed two FMAs in 1980. A further 21 agreements have been signed since then. They too will be reviewed every five years.

This government believes forest management agreements are the right approach to timber and resource management on publicly owned lands. They require that a company that cuts trees on a specific tract of land also takes on the responsibility for timber management on that land. Timber management includes preparation of plans, regeneration, tending, site preparation and road construction. This makes for maximum efficiency.

Companies that know they are responsible for managing the same site will alter the way they harvest and clean up an area. They can take care to prepare the site while they harvest. The results of these first reviews of FMAs bear out the ministry's wisdom of replacing the old-style timber licences with forest management agreements.

When members look at these figures, they will see that fully 63 per cent of all harvested lands were regenerated by the forest companies, compared to 51 per cent regenerated by the ministry before the inception of FMAs. The 63 per cent that has been regenerated is far from the end of the story. That figure represents what has been treated. As honourable members realize, virtually all other areas will regenerate naturally. These areas will not enter an inventory system until they are surveyed.

I should point out that the companies are responsible for maintaining productivity on the FMA area and will have to re-treat any regeneration failures at their cost and according to the conditions in the agreement, so the final figures are not all in. We are impressed by the figures that are in. We have significant improvement, targeted at the most productive sites, which

means the quality of our forest estate is actually improving.

2:30 p.m.

Before turning to the figures we have, I would like to point out to members that prior to FMAs the ministry was responsible for regeneration, so the companies that signed the first agreements did not assume the total responsibility immediately. One cannot switch from harvesting to complete timber management overnight. There was a phase-in period.

The new duties require companies to make major adjustments in their organizations to hire new staff, reallocate existing staff and upgrade technical skills. For the first year, the ministry helped with regeneration and site preparation. The companies very quickly took over the responsibilities for regenerating, tending and site preparation, and by the fifth year were doing all this work.

The results of these reviews show that the volume of timber management activity has doubled since the companies became involved. Let me say in passing that not every square kilometre in those areas is productive forest land. For example, in the Abitibi-Price forest management agreement, only about three quarters of the land is capable of growing trees. The remainder, which includes water and wetlands areas, is not suitable for growing forests.

Let us move now to the heart of these reviews. In terms of area under forest management agreements, they show there was a 43 per cent increase in regeneration, a 285 per cent increase in tending and a 30 per cent increase in site preparation, all of this with only a 15 per cent increase in the amount harvested.

In the first five years the agreements were in effect, the companies harvested a total of 107,743 hectares, regenerated 68,065 hectares, tended 57,267 hectares and did site preparation on 62,340 hectares. In the five years prior to the agreements, on the same land the companies harvested 93,518 hectares of forest land and the Ministry of Natural Resources regenerated 47,702 hectares, tended 14,840 hectares and did site preparation on 47,702 hectares.

The companies also fulfilled their other obligations under the terms of the agreements by involving the public in planning forest activities, altering activities to safeguard such important considerations as wildlife habitat and recreation areas, and keeping complete work records. In some cases, the companies either came up with new advances in forest technology or took extra

time to improve the forests for which they now are responsible.

Great Lakes Forest Products converted harvesting machines to enable the company to prepare soil on difficult sites. Both Abitibi-Price and Spruce Falls Power and Paper purchased special wide-tired harvesting machinery to protect sensitive areas and to improve the timing of harvest activities. E. B. Eddy Forest Products is replacing residual hardwood stands with valuable softwood plantations, even though the original plans would have permitted natural regeneration of these sites to low-value hardwoods such as birch and poplar.

Those are a few highlights from the reviews I am now tabling. The reviews presented are the first to be tabled and, therefore, they assume a significant role in relaying to the public the results of timber management activities undertaken by the FMA holders. We will continue to table the reviews of all FMAs as the five-year anniversary dates come due.

Given the kind of tending and forest management that is going on, I expect to be here five years from now presenting another report as I have today.

Mr. Harris: Mr. Speaker, on a point of order: I congratulate the minister on the statement and the announcement today. However, I am missing the last page that refers to the member for Muskoka (Mr. F. S. Miller), James Auld, the member for Cochrane South (Mr. Pope) and myself, the member for Nipissing, for implementing the FMAs. Could he send that over?

Hon. Mr. Kerrio: That is a very valid point. When I can find something of significance in the records that I should tell about, I shall do so.

Mr. Speaker: Order. It would have been better to have brought that up during question period.

UNIVERSAL DECLARATION OF HUMAN RIGHTS

Hon. Mr. Wrye: I want to bring to the attention of the members of this House that December 10 is a special day in this province and around the world. It was 37 years ago today when members of the United Nations signed the Universal Declaration of Human Rights. It marked the first time that countries paid recognition to the inherent dignity and the equal and inalienable rights of all members of the human family.

The proclamation in 1948 by the General Assembly of the United Nations was a major step forward in the history of international affairs and

the advancement of the human race. The document serves as a model and an inspiration for human rights legislation throughout the free world.

The Ontario Human Rights Code, proclaimed in force 23 years ago, draws its inspiration from that declaration and upholds the fundamental principles enshrined in it. The Ontario Human Rights Commission plays a crucial role in this province. Its mandate is to create at the community level a climate of understanding and mutual respect in which every person in the province is equal in dignity and rights. There is a need to foster within all people a greater awareness of the importance of human rights.

In this province, discrimination is not only immoral, it is also illegal. When discrimination occurs, the full force of the law will be brought to bear. At the same time, educational and preventive programs are carried out by the commission to combat effectively the prejudice that leads to discrimination. Recently in this House, I announced that the Ontario Human Rights Commission will be receiving additional resources, including 41 new staff positions. This action demonstrates the commitment of the government in this most important area.

Racial harmony in our society is of paramount importance to this government and every member in this House. Ontario was the first province to establish a race relations division of the human rights commission and to appoint a race relations commissioner. Last week, the government announced the appointment of Dan McIntyre as Ontario's new race relations commissioner. Furthermore, the cabinet committee on race relations is examining ways and means of strengthening the government's policy statement on race relations and augmenting the various race relations activities and programs. One such area relates to appointments to agencies, boards and commissions. It is our intention that the members of these bodies should reflect the racial diversity of our population.

At this time, on behalf of Ontario, I wish to recognize December 10 as Human Rights Day and December 9 to 15 as Human Rights Week. At the same time, I wish to declare Ontario's support for the United Nations' second decade to combat racism and racial discrimination. I call upon every member of this House to reaffirm the commitment and support for human rights, one of the most fundamental contributors to the great democracy we enjoy in Ontario.

ORAL QUESTIONS

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: I have a question for the Premier. We wanted to give him the opportunity this afternoon to select any one of the answers that the Minister of Industry, Trade and Technology (Mr. O'Neil) has been giving for the last couple of days. My advice to the Premier, to make it easy for him, is that he could select either the House answer the minister gave or the answer he gave to the hall question. The Premier can answer by saying "Hall" or "House" for us so we would understand which one he has selected.

Mr. Speaker: Question?

Mr. Grossman: We have been chatting with the Minister of Industry, Trade and Technology—

Hon. Mr. Bradley: Who gave money to Moe Carter?

Mr. Grossman: The member for St. Catharines (Mr. Bradley) can have his job soon.

Mr. Speaker: Order, order. Question?

Mr. Grossman: We have been talking with the Minister of Industry, Trade and Technology about the 21 letters that obviously John Kruger and perhaps the Premier himself sent out with regard to the sale of the Urban Transportation Development Corp.

Is the Premier willing to tell us whether any of those 21 letters went out to non-Canadian companies? Did the letters indicate that any offer to purchase must include job guarantees, a guarantee that the research and development would be left in place and that the plants in Kingston and Thunder Bay would be protected?

Hon. Mr. Peterson: I think the answer to all of those questions is yes.

2:40 p.m.

Mr. Grossman: That is very good. The answer to the first question then contradicts the Minister of Industry, Trade and Technology when he said no foreign firms had been talked to. Does the Premier confirm that he has offered UTDC or invited foreign firms to purchase UTDC? That was the first answer he gave this afternoon.

Second, given the incredible answers we have been getting over the last few days, I know the Premier will understand our desire to get the kind of information we only got yesterday from de Havilland in its briefing. Therefore, would the Premier be kind enough to table copies of the 21 letters that have been sent out so we can see for ourselves the guarantees he has demanded?

Hon. Mr. Peterson: As the member knows, there is a review of the crown assets going on at the present time. That is common knowledge. We are looking to maximize the return and the opportunity for jobs in research and technology in this province.

I point out that no deal has been signed. We have not talked to any foreign firms. There was some preliminary prospecting. There have been some discussions with some domestic firms. Nothing has been signed at the moment.

The member wants to be included in the negotiations or he wants the letters tabled. The answer to his question is the same as I am sure he would have given me if he was in the government and I asked him the same question. The member said in Hansard on April 16, 1982: "Negotiations cannot...be conducted through the media and should not be conducted through the media. I have adopted that stance in the Chrysler negotiations, Massey-Ferguson negotiations...." I am sure the member would understand that.

Mr. Bennett: We are not suggesting that for a minute. The Premier knows that—

Mr. Speaker: Order.

Mr. Rae: The problem is that the answer from the Premier is exactly the same answer we had from the Tories. They are both in favour of flogging off public assets at fire-sale prices.

Can the Premier explain why the government is so eager to sell public control of a crown corporation that is engaged in making sales of \$300 million, \$500 million and \$800 million, when all the prospective buyers are in the public sector around the world? When it is government-to-government contacts that make the most sense, why in this instance, in a company that is beginning to find financial success, is the Premier so eager to deprive the crown and the public of this province of the advantages of good, well-run public enterprise?

Hon. Mr. Peterson: I would like to respond to the honourable member's question because it is a legitimate area for debate. There may be certain philosophic differences between us. He thinks the government should own more corporations than I do. However, it is a legitimate question and deserves a full answer.

The honourable member will be aware there is roughly \$5 million worth of equity injected by this government as well as an additional \$10-million write-up on the test track. This government has supported it to the tune of about \$163 million in various purchases and otherwise.

Since 1975—and I can go into detail on it if the member would like to hear it—this company has

lost \$17.8 million. Taking all the winning years and all the losing years and netting them all out, it has lost that amount of money. There is a substantial body of opinion that believes at this particular point it would be worth while to privatize it or have some element of private contribution in order to expand its marketing potential and build it into a world-class competitor.

I refer the member to the former minister, James Snow, who said on December 5, "Philosophically, I have no problem whatsoever and would prefer to see major private sector ownership of UTDC eventually."

There are a number of reasons. UTDC has grown far beyond its original intentions. As the member knows, it started off as a research and development company and expanded into manufacturing. It needs international orders to grow and thrive. There is no question that government ownership creates problems. For example, every time there is a problem with a truss falling over in Detroit, it becomes a question in this House, which is a system of accountability that is not there for so-called private enterprise.

We have talked to a number of people in the business who feel UTDC could grow and expand if it had a private component. There are some areas of the business it could enter into right now, but it feels precluded from entering into them because of the public involvement and because it would be competing against the private sector.

For all those reasons, a strong body of opinion believes it is worth while at least to pursue discussions about or look at the options for privatization. I point out to the member again that no final decision has been made. There have not even been negotiations on any details. Any deal that is made would obviously be subject to the scrutiny of this House.

Mr. Grossman: I have to point out to the Premier that he has read a quote that was necessary because the government at that stage was dealing with some confidential information.

Interjections.

Mr. Grossman: John Kruger may have given him this answer, too. Kruger may have briefed him.

The government was at the final stages of negotiations, with specific details on the table.

Is the Premier telling the House that he has distributed specific business details of UTDC's operations to 21 firms, including foreign firms, which by his own admission are firms that are competitors of UTDC—details so specific and detailed with regard to UTDC's operations that

he cannot table them in the House? Is the problem that he has already given away confidential details with regard to UTDC to all of those 21 companies, hampering its competitive position? That is the only circumstance under which he cannot table the letters.

Hon. Mr. Peterson: Obviously, we would not give away confidential details at this point. The only question the member is asking today is that we table information. Why does he not think up some more intelligent questions? Why does he not ask me why we want to sell it? Why does he not tell me what his position is?

If the member has any questions, he should put them in Orders and Notices and I will be glad to share with him. I am sure that as a person who has negotiated for the government, the member is the first to recognize that these negotiations have to be kept close to the vest, at least at this point.

The deal will obviously be subject to scrutiny and we will welcome the member's opinion on it. I would be very happy to know where the member stands. Does he agree with Jim Snow that it should be privatized? If it is privatized, I would like the member's help in doing it. I am sure he could be very constructive in putting it back in the private sector where it could grow and prosper.

Mr. Grossman: I want to say to the Premier that—

Mr. Speaker: New question.

Mr. Grossman: Here it comes.

If the Premier wants to ask me how I feel about Jim Snow, he may want to endorse the remarks of the Solicitor General (Mr. Keyes), who said on December 2, "It may be wiser for UTDC to concentrate its efforts in the area of design, research and development, rather than building the product."

The Premier may want to tell the press when he goes out in the hall whether he agrees with the minister when he says UTDC may not be sensible in building the product any more. That may be why he is selling it.

Mr. Speaker: The Premier.

Mr. Grossman: I want to ask the Premier this question with regard to his trip out west.

2:50 p.m.

Mr. Speaker: Order. Yesterday, I asked the members to show a little more respect for the chair. I asked you earlier if you were going to ask a question. You said you were. I waited, but I did not hear a question. Please ask the question briefly.

Mr. Grossman: I should like to ask the Premier, in the light of his speech to the Conference Board of Canada some time ago, whether he can now tell us what other crown corporations—

Mr. Martel: There is going to be a row in here.

Mr. Grossman: The member for Sudbury East can start asking questions too.

Mr. Speaker: Order. Briefly, the question.

Mr. Grossman: The member for Sudbury East should feel free to ask questions too.

Interjections.

Mr. Speaker: Order. I asked the Leader of the Opposition to place his question, but he did not. You are now placing a supplementary, if you can do such a thing. I am considering it the second part of the question.

Mr. Grossman: What was that?

Interjections.

Mr. Speaker: Order. I have asked the Leader of the Opposition to place his question, and I am considering it as the second part of the question. In other words, I am giving him one question. It is up to the—

Interjections.

Mr. Timbrell: Mr. Speaker, may I rise on a point of order?

Mr. Speaker: No.

Mr. Hennessy: That is it; it is decided.

Mr. Speaker: Order.

Mr. Timbrell: Mr. Speaker, on a point of order.

Mr. Speaker: If I can have a little quiet; what is your point of order?

Mr. Timbrell: Mr. Speaker, I understand your concern, which we all share, for maintaining the decorum and the orderly conduct of the business of the House. However, I would ask you to reconsider, inasmuch as my leader, the Leader of the Opposition, in trying to address his question was interrupted by interjections. With all due respect to the chair, I would ask you to reconsider and allow the Leader of the Opposition to place his second question.

Mr. Speaker: I must remind the members it is up to the Speaker to decide how many supplementary questions there are. If it gets too confusing for the members, I will ask the Leader of the Opposition to place the question and then I will go to some other place for the supplementary if I so desire.

Mr. Grossman: In the light of the Premier's speech to the Conference Board of Canada, wherein he said the government of Ontario might not now need to be in the entertainment business, can he tell us what other crown corporations he and Mr. Kruger might have on the list for sale?

Mr. Haggerty: The Legislature is one.

Hon. Mr. Peterson: The member for Erie made one of his fine interjections.

I can tell the member that we are reviewing all the crown corporations in a systematic way. If he has any suggestions for ones that should be looked at, I would be interested in his opinion. We are looking at the Innovation Development for Employment Advancement Corp., to be specific. We are also looking at Suncor, which has provided a lot of entertainment for this House over the last little while.

Mr. Rae: Can the Premier confirm that while 21 contacts were made, not Mr. Kruger but Wood Gundy is the company that has been hired to deal with this question of privatization of UTDC? They have sent out eight letters; the letters have already gone out. Can he confirm that if an interest is shown a deposit must be paid; and if a deposit is paid at that point serious negotiations are under way?

If that is true, can the Premier tell us whether the government today has a stated preference between a partnership or joint venture with whoever is applying and a complete wholesale sale, a complete privatization? Has the government made up its mind which of those two options it prefers?

Hon. Mr. Peterson: With respect to the specific question, the answer is no. We are looking at both options to maximize the potential. What we want to do is secure that employment and, indeed, enhance that employment. We want more employment here and we are open for suggestions.

The member is quite right that Wood Gundy has been retained to do the evaluation in this matter. I am sorry I cannot confirm his statement there were eight contacts. I am under the impression that originally 20 feelers, as they say, were sent out. The member has the figure eight, and I am not sure where that came from. As far as I know at this point there are only two semi-serious discussions with potential Canadian partners.

Mr. Grossman: Last night 250 UTDC workers met in the Moose Lodge in Thunder Bay. They are very angry and they are now suggesting they may have to rent buses and come down to

Toronto to find out what is going on with regard to the sale. No one has spoken yet to the UTDC board about the sale, and obviously no information whatsoever has been given to the union in Thunder Bay.

Given that the Premier will be flying to Vancouver to officiate at the opening of the UTDC project there, I wonder whether he might consider cancelling that trip. Instead of jetting off to Vancouver to take credit for something he has fought for 10 full years, he might consider going to Thunder Bay tomorrow night and speaking to the confused workers there whom no one seems to talk to.

Hon. Mr. Peterson: When I received the invitation to attend the opening tonight and tomorrow in Vancouver, I was not sure it was appropriate. Because of the insistence of Premier Bennett that I be there, I acceded to his invitation. I understand the point the honourable member has raised. A number of those workers, as he will know, have been going through some, shall we say, discomfiture or uncertainty because his government cancelled the GO advanced light rail transit program. His government cancelled it and put their jobs in jeopardy.

Mr. Grossman: No. Why does the Premier not go to Thunder Bay? That is the question.

Hon. Mr. Peterson: Do not give me that stuff. The members opposite are the ones who started the rationalization process.

Mr. Grossman: They want to talk to the Premier.

Mr. Speaker: Order. Twenty minutes of question period have passed.

Mr. Rae: The official position of the Tory party is apparently that of the member for Prince Edward-Lennox (Mr. Taylor), who said in reference to UTDC that "they should not be farming the work out to an obsolete plant in a remote part of the province." That is the Tory attitude to the plant in Thunder Bay. That is the record they have.

Interjections.

3 p.m.

Mr. Rae: I seem to have touched a chord there. As a result of conversations I have had, and have attempted to have, with both Mr. Foley and Mr. Kruger—and I can tell him that neither has been particularly forthcoming with respect to the negotiating process, which is hardly a surprise—I would like to ask the Premier this question.

When I asked him how close they were to a deal, Mr. Kruger did venture to say he hoped to

have a better idea by the end of the year, but that at the moment there were at least two companies that had expressed an interest, both of which were Canadian.

Since the Premier has not stated his preference here today with respect to the question of a form of partnership, joint venture or a wholesale merger and privatization, a basic giveaway to a private corporation, will he give the House the assurance that no such letters of intent and no such signing of documents will take place until such time as the Legislature has been consulted with respect to those two very vital choices?

Mr. Speaker: Order.

Mr. Rae: Otherwise, we are going to be in exactly the same impossible position we have been placed in by the federal government with de Havilland.

Hon. Mr. Peterson: The honourable member is asking me to turn the responsibility for this deal over to this Legislature. In other words, presumably he would like to bring it back here and debate it. He knows as well as I do how productive that would be. Nothing would ever happen. We would just see our friends opposite shouting at each other and making contradictory statements.

I believe we are charged with the responsibility of protecting those jobs and building UTDC in Ontario to all its potential, we have that responsibility. Let me say very frankly that everything we do is going to be subject to full scrutiny. I welcome the member's ideas, but I honestly do not know how we can have six different people or three different parties negotiating in this kind of situation. I think we have to have the responsibility and, as I said, we are prepared to bear any scrutiny that comes with that responsibility.

Mr. Rae: I wonder if the Premier does not see a certain irony in insisting on having 11 people negotiating free trade with the United States but not being prepared to share responsibility with the Legislature in this matter. Now it is becoming clear why they did not take the Premier seriously on de Havilland: he is not prepared to share information that has to be shared before the fact and not after the fact.

Mr. Speaker: Question.

Mr. Rae: I would like specifically again to get the Premier to focus on this question of why; even granted for a moment for the sake of argument it would be useful for UTDC to have some degree of partnership with the private sector. So many of those negotiations are state to

state, government to government. There is no private sector market out there for an \$800-million transportation system. It is all handled in the public sector, whether it is on the municipal, provincial, state or national level.

Mr. Speaker: Question.

Mr. Rae: He knows that. Why abandon the role of the public sector at a time when even those people involved in UTDC feel the public sector still has a valid role to play?

Hon. Mr. Peterson: I say to my honourable friend that a number of our worldwide competitors are not government- or state-owned; they are private enterprise. I am not denying that sometimes government has a role, as we have a role with a number of our privately owned corporations selling abroad, and we will always fulfil that role or responsibility. However, I do not think he can assume necessarily that people will buy just because a company is owned by a government. We are prepared to assist them or any other corporation in this province, be they privately owned, publicly owned or a combination thereof, to obtain foreign contracts, and we always will be.

Mr. Grossman: I would like to take the Premier back to the first answer he gave us this afternoon on UTDC. In response to my question with regard to whether the 21 letters indicated to prospective purchasers that maintenance of jobs in Canada—that is, job guarantees—was required, he answered yes. His Minister of Industry, Trade and Technology (Mr. O'Neil) said yes to the same question the other day, and then he went out in the hall and said no, he should not have given those guarantees.

Just so we know, when we get a copy of one of those 21 letters, exactly what the Premier's position now is, will he repeat once again, and clarify for me, the answer to the first question he gave today? The question was, did the 21 letters require of prospective purchasers job guarantees for the UTDC workers? He answered yes to that question earlier today. Is that his answer?

Hon. Mr. Peterson: Yes, that is my answer.

Mr. Foulds: Given the attitude of the member for Prince Edward-Lennox and of the member for Kingston and the Islands (Mr. Keyes), will the Premier give us a guarantee the jobs in Thunder Bay and in Kingston will be guaranteed?

Hon. Mr. Peterson: That is a good question the honourable member has asked. As he knows, UTDC is currently going through a job rationalization program. It is looking at that because of the previous government's cancellation of the

GO advanced light rail transit program. That is a reality. It is looking now at plans that are possibly going to cut some of that work force. That obviously has to be done as gently as is possible. It is not something I like or support.

We want to see UTDC built into an international-class company that can participate all around the world and have more employment in Thunder Bay, and that is how we are approaching this matter. We will not do anything that will hurt UTDC. We are going to do only things that will help it.

DE HAVILLAND AIRCRAFT OF CANADA

Mr. Rae: I have a new question for the Premier on the subject about which I was briefed together with the leader of the Conservative Party and the Minister of Industry, Trade and Technology (Mr. O'Neil) last night by Mr. Marshall of the Canada Development Investment Corp. I am referring to the de Havilland sale.

Mr. Marshall confirmed that both the previous government and the present government supported the general initiative of the federal government to dispose of de Havilland. He indicated very clearly there was no change in policy or in direction with respect to Ontario's interest as it was expressed to him by various parties.

Given what the Premier and his government now know about the de Havilland sale, is it a deal he favours at present?

Hon. Mr. Peterson: I can tell the honourable member that I have never had any personal contact with Mr. Marshall; I have never met the man. The member will recall, though, that I did convey to the Prime Minister the view of this province with respect to the deal. We did try to intervene on behalf of one of the parties.

There is no doubt in our mind that we would have preferred a Canadian purchaser. There is absolutely no doubt about that.

Mr. Rae: Yes, but the Premier also prefers privatization. Let us look at the reality today. I am asking him today, given what he knows about the size of the giveaway and given what he knows about the paltry sum that Boeing is putting up for this deal, is it a deal he favours at present; yes or no?

Hon. Mr. Peterson: I have told the member I would have much preferred that it be sold to a Canadian company.

Mr. Grossman: Since this deal was entered into and announced, has the Premier demanded of the federal government that some special first option be given to Canadian preferred purchasers, with or without government assistance, or

potentially to governments or CDIC, to take back the assets in the event Boeing decides to close the de Havilland plant two or three years down the road?

Hon. Mr. Peterson: I have not been consulted on any extra clauses to put into the contract. I understand Mr. Marshall told the Leader of the Opposition, the leader of the New Democratic Party and the minister yesterday that on Ontario's advice they protected the jobs and the plant in Ontario. I have not been consulted on any other of the niceties of the contractual arrangements.

Mr. Rae: For the record, Mr. Marshall confirmed that the policy of the Tories was in favour of privatization and the policy of the Liberal Party was in favour of privatization. That is why the province today is in the bargaining position it is in. That is the reality of the situation.

Now that we are there, given the Premier's preference, which he stated today—admittedly in an extremely soft way—I would like to ask whether he is prepared to say to the federal government that unless protections and assurances are provided with respect to jobs, with respect to Canadian participation in this deal and with respect to a continued public role in this company, he is prepared to do everything in his power to stop that deal from going through before Christmas, which is the intention of the CDIC.

3:10 p.m.

Hon. Mr. Peterson: Let us be very realistic about this situation. It is our view, and we have canvassed the options, that we do not have the power to stop this sale. We can shout. The member accuses me of being too soft. I consider myself an agreeable sort of chap with respect to most deals.

I think we put forward in very clear ways the position we had on this matter. The federal government knows that, and it made its own decision with its own asset. We do not have the power to challenge it in the courts or to stop it legislatively. The reality is, it is the federal government's and it has made its decision.

The member's party and the other party opposite will want to convey their view to the federal government and I will convey it for them. The member's view on the matter is very clear. I am not sure what the view of the official opposition is; if it ever tells me what its view is I will be very happy to convey that to the Prime Minister for his study.

Interjections.

Mr. Speaker: Order.

GOVERNMENT ADVERTISING

Mr. Baetz: My question is directed to the Minister of Natural Resources and arises from an incredible, shameless, self-congratulatory ad that appeared in the Ottawa Citizen on Friday, December 6. Under the picture of the minister there appears a long litany of all the good things he believes he and his ministry are doing.

What possible useful public purpose does the minister feel is served by this self-preening advertisement? How many similar ads has he placed or does he intend to place in other newspapers and at what cost to the taxpayers? I will send him a copy of the ad.

Hon. Mr. Kerrio: That is an excellent question. It points out the problem that exists across this great province of ours as it relates to public information about my ministry. When we were out with the professional foresters of Canada at a very important forum they realized the same thing; that there was much public opinion that was not based on fact.

I propose in the next short while to let the public know what is happening in my ministry. It will help us make the forests what they should be for future generations.

Mr. Baetz: What the minister is saying is that he is going to spend more of the taxpayers' money on his self-preening ads.

Does the minister not agree this is the kind of advertising that was described by the Treasurer (Mr. Nixon) as a private member back in October 1982, when he said, "When money is spent in this respect and in such a way as to obfuscate the issues, then there cannot be a more dangerous wastage of public dollars"?

I want to quote the observations of another of his colleagues, the member for St. Catharines (Mr. Bradley), who said in 1984, describing this kind of ad: "This is a wrongful use of government funds. It is self-congratulatory advertising with the taxpayers' money."

In view of the fact the minister's ad is so clearly of the type described by his own colleagues, who stated it would not be condoned when they were the government, will he promise this House that he will desist from such scandalous self-congratulatory advertising in the future?

Hon. Mr. Kerrio: I am not sure the honourable gentleman heard my answer. I could not possibly make such a promise. The public out there deserves to know what is happening in this very important ministry. There are some 80,000 direct jobs and another 80,000 to 100,000 spinoff

jobs. The forest provides tremendous opportunities for the people across this province. I want to let the public know what is happening there and how we are going to improve the northland for those northern members.

Interjections.

Mr. Speaker: Order.

FOREST MANAGEMENT AGREEMENTS

Mr. Laughren: My question is also to the Minister of Natural Resources on the unbelievable statement he made earlier today and the report he tabled, which indicates that more than one third of the cutover land of the four companies referred to in the report was not regenerated. That one third represents about 100,000 acres. Under what perverse set of forest management standards is that an acceptable figure?

Hon. Mr. Kerrio: I am sure the honourable member will realize that our policy is to be open and to table everything we have. The critic was given this report, as was the critic for the official opposition, at 11 o'clock this morning, something that is very unusual, so it could be studied, so the things that bother the member could be brought to this minister and so I could respond on that particular area.

The member knows full well we are not going to concentrate in the early stages strictly on the cutover. There are places that have been cut that are going to be regenerated in a natural way. There will be targeted areas, because it makes much more sense to be able to grow trees in areas that will be very productive and accessible. I cannot consider anything else but real management of the forest for the immediate future.

Mr. Laughren: It was the great joy with which the minister presented the depressing figures that bothered me so much. Does he not understand how misleading those figures are? Does he not understand that 60 per cent of the land the companies left to regenerate naturally was clear-cut in the first place and how difficult it is to get a good second forest after you have clear-cut?

When is the minister going to understand he is being fed numbers by his officials that are designed to protect the previous government, not the forests of the province?

Hon. Mr. Kerrio: I will not deny there are areas that need investigation. Quite properly, that member and members of the official opposition have a feeling about the forest and where we are headed in the regeneration for

sustained yield. I am not suggesting I am going to accept all the numbers that were passed on to me.

It is very obvious that if this government undertook to bring in Dr. Baskerville to do a private inventory, which he is going to start within the next week or two, the member can rest assured I am not going to take the numbers from that group. I am very properly going to make an assessment of that circumstance with a very credible doctor from the University of New Brunswick, and we are going to share all those reports with all people in the Legislature.

SUNDAY TRADING

Mr. Epp: I have a question of the Attorney General, who is no doubt aware that a number of businesses in Ontario, including Robinson's and the Brick Warehouse, are flagrantly violating the Retail Business Holidays Act by opening on Sunday. Some of them have violated that bylaw on a number of Sundays. Is the Attorney General aware of this fact; and second, what is happening to enforce that bylaw?

Hon. Mr. Scott: As members of the House may know, in March the Supreme Court of Canada will begin consideration of the question, is the Retail Business Holidays Act of Ontario constitutional? It is a fascinating question raised by the legislation introduced by the previous government. That issue will be argued in the Supreme Court of Canada in March, and it is hoped a decision will be given shortly thereafter. The Alberta act has been found unconstitutional.

3:20 p.m.

As we move towards that date, a number of businesses have obviously determined it would be in their interests to breach the law because it is unlikely their cases, when they are charged, will come to court before that March date. I want to indicate to the House that we are going to defend the law in so far as we can in the Supreme Court of Canada, and businesses that remain open on prohibited days between now and March will be prosecuted. If they remain open more than once, the maximum fines will be requested under the legislation and we will give consideration to proceeding with those cases at the earliest possible date.

At the end of the day, after the Supreme Court of Canada has decided the matter, if it is found the legislation is within the power of this Legislature, we propose to give consideration to whether it should be modified in the circumstances of the case and at that time look forward to hearing views from all parts of Ontario.

Mr. Davis: I have a—

Mr. Speaker: Order. Supplementary.

Mr. Epp: If the Supreme Court—

Mr. Timbrell: Mr. Speaker, on a point of order: I may be mistaken, but I am certain the member for Scarborough Centre (Mr. Davis) was on his feet, having been recognized by you, and had begun to ask a supplementary. I fail to understand why he will not be allowed to complete that question and ask you to allow him to proceed.

Mr. Speaker: Order. The member knows the general rotation. Sometimes those rotations change under certain circumstances.

Interjections.

Mr. Speaker: Order.

Mr. Epp: If the Supreme Court supports the present legislation, what are the options available to the government if that support stands? What are the government's options if the court says the act is in violation of the Constitution of Canada?

Hon. Mr. Scott: The answer will depend on the reasons they give. Broadly speaking, if they decide the legislation is unconstitutional, that means there will be unregulated holidays on Sundays in Ontario, just as there currently are in Alberta. Subject to employment standards legislation, any business can stay open and it will not be within the power of this Legislature to do anything else.

If they decide the legislation is generally valid, then it will be for the Legislature to decide whether the act should be modified to reduce the exemptions, expanded to increase them or whether some other plan of regulating holidays should be developed.

Mr. Davis: I have been informed by various proprietors in my area they have been told that, even though stores are open in contravention of the bylaw, they will be charged only once in the courts, not as many times as they have broken the municipal bylaw. Is it the intention of the government to charge them only once—it is a \$10,000 fine—even though they have been open five and six times, breaking the law?

Hon. Mr. Scott: I do not know who has been informing the member, and he has not told me, but that is not the policy of this government. In so far as the police ascertain that stores are open, we intend to charge them.

Mr. Swart: The minister will realize those stores which are breaking the law are reaping the benefits and those abiding by the law are being penalized. Is he notifying all the police forces in

the province they must lay charges against stores that are staying open? Will he personally notify those companies, particularly the chains that are staying open, that they will be prosecuted to the fullest?

Hon. Mr. Scott: Yes.

HUDSON'S BAY CO.

Mr. Harris: I have a new question, Mr. Speaker, unless there is somebody else who is supposed to be on his feet and you want to recognize him.

I have a question for the Minister of Industry, Trade and Technology. It concerns a brochure of which I have a copy here. The pamphlet says on its title page, "Government of Ontario, Ministry of Industry, Trade and Technology, the Right Honourable"—I am not sure how he ended up there, but he may have other plans that we do not know about—"Hugh O'Neil, Minister."

When one opens this pamphlet up, it cordially invites buyers to attend the Hudson's Bay Co. December auction, etc. It has an offer of a free flight and what not from Ottawa to Toronto to go to the auction.

Can the minister tell us what his involvement is with the Hudson's Bay Co.? To what extent is his ministry—and the minister himself—involved in the free travel offer to Montreal buyers to attend the Hudson's Bay fur auction in Toronto?

Hon. Mr. O'Neil: If the member would be good enough to send a copy of it over to me, I would be very pleased to have a look at it.

Mr. Harris: I will allow a little time for the page to deliver that to the minister. The first panel is the headline.

While the minister is looking at that, I might ask him two things. First, does he feel it is appropriate for a minister of the crown to lend both his personal support and that of his ministry to the Hudson's Bay Co. offer of free flights and what not? This offer went out in the minister's name two days before the Ontario Trappers Association sale in North Bay.

Second, what does the minister suggest I tell the 16,000 members of the Ontario Trappers Association about his government's and his personal involvement in supporting the Hudson's Bay Co. at the expense of the North Bay fur auction run by the 16,000-member Ontario Trappers Association?

Hon. Mr. O'Neil: I can tell the member I have not seen this before, nor have I approved of it. I will definitely check into it, because I agree with the comments he is making.

REMOVAL OF WINES

Ms. Gigantes: I have a question for the Minister of Consumer and Commercial Relations. I have invited several dozen friends to a wine and cheese party on Friday. Can the minister tell us which wines the Liberals will be serving at their fund-raising functions this week so that those of us who are not Liberals can drink wines as least as pure as those the Liberals will be drinking?

Hon. Mr. Kwinter: If I could have the indulgence of the House and have us revert to statements, I would not mind addressing this whole problem. However, it is fairly lengthy and I do not want to give an answer that would detract from other members' rights to have question period.

Mr. Speaker: Order. I did not understand. The minister asked to revert? I was not clear about whether the minister asked the permission of the House to revert.

Hon. Mr. Kwinter: The member asked me a question and I am saying the answer is fairly lengthy and complicated. Rather than give it, if we could revert to ministerial statements I would make that statement and not detract from the members' time in question period.

Mr. Speaker: I will have to ask the members whether they wish to revert at the request of the minister.

No, there is not unanimous consent.

3:30 p.m.

Mr. Swart: The minister said in front of the cameras yesterday that people should refrain from buying wine for a couple of days until the retesting of the suspected wines was completed.

Does the minister not realize that statement was unwise? Perhaps it was even foolish, creating confusion among purchasers and stopping purchase of all wines when most of them have already passed the new standard. Why did the minister not notify the Liquor Control Board of Ontario stores and the private wine stores to stop selling the wines in question?

Hon. Mr. Kwinter: If I knew which wines fell into that category I would have done that. The question asked of me was whether I could guarantee that all the products at the LCBO were within the accepted levels of ethyl carbamate and I said no. The next question was, "What would you advise consumers?"

If the member read the reports in the media, he will have noticed that the problem with ethyl carbamate is cumulative. I have said that if anyone drinks a bottle of wine it will not be fatal.

Notwithstanding that, all consumers in this province have the right to know if they are at risk. If they are concerned, the only sure way of knowing is not to buy the product until we give them the names of the products that are safe.

ANNUAL REPORT, PROVINCIAL AUDITOR

Hon. Mr. Keyes: I have a response to a question on November 28 by the member for Algoma (Mr. Wildman) with regard to the Provincial Auditor's report as it related to the storage of weapons and ammunition by the Ontario Provincial Police.

I can assure the member that every step has been taken to ensure the security of both weapons and ammunition. These steps include the installation of alarm systems with backup monitoring capacity. In addition, personnel from the Ontario Government Protective Service are on duty 24 hours a day. It should also be noted that access to the facilities is strictly limited and the movement of firearms and ammunition is now fully documented.

At the convenience of the honourable member, we would be pleased to have him view the facilities to see these installations.

Mr. Wildman: I thank the minister for his answer.

Can the minister assure us that the OPP is taking responsibility for ensuring that these dangerous weapons and ammunition are being secured according to the federal legislation? Surely the OPP could be expected to follow the legislation on gun control.

Hon. Mr. Keyes: Yes, I can give that assurance.

MEDICAL TRANSPORTATION

Mr. Pope: I have a question for the Minister of Health, who admitted last week he had failed to implement the northern health travel program over a period of six months before he announced his own program.

Hon. Mr. Bradley: He did not admit that.

Mr. Pope: Yes, he did. He was the minister. I have reviewed the statements by this minister in the Legislature on November 25 and his statements from last week. I have also reviewed the documentation on the health travel grants to northern Ontario residents.

Why has the minister yet to inform the residents of northern Ontario that under his plan they have to pay the first \$75 of that cost of travel?

Hon. Mr. Elston: The program we have devised for the people of northern Ontario is a more comprehensive program than was ever contemplated by the party opposite when it was in government. For one thing, their program would have kicked in at the limit of 200 miles; ours goes at 300 kilometres, which is under the 200-mile limit.

We have done several things that will provide more coverage. Their program would have provided transportation for about 4,400 people; ours is estimated to accommodate the needs of 81,000 people in northern Ontario. In addition, we have done several other things to improve the accessibility of northerners to medically necessary services, not only services based in hospitals but also for specialists.

Our program is much more intensive and much more deserving of support in northern Ontario than the program the Conservatives contemplated. It has a great deal more coverage and more benefits than they anticipated providing.

Mr. Pope: I asked the minister a question and I have yet to have the answer. Why has the minister not informed the residents of northern Ontario they have to pay the first \$75 of travel costs under his program? Why has he not told them?

Hon. Mr. Elston: We are reimbursing people on the basis of a grant for travel. We are basically doing work now which will provide those people with some transportation assistance. It will cover more of the travel requirements of the people of northern Ontario than these people even contemplated.

It is absolutely clear that our program will cover the travel needs of those people who have to have follow-up in addition to the first visits. Although these people tried to tell the people of northern Ontario they were concerned, they had several years to implement the program. They had wonderful suggestions made by the member for Port Arthur (Mr. Foulds).

I cannot debate with the honourable members of this House the desire of people from northern Ontario to have this program for a long time. I do not wish to question anybody's intent, but I can question the results.

I can tell the people of northern Ontario and the people of all Ontario that we are providing travel assistance for medically necessary travel in the province—in northern Ontario and to centres in southern Ontario—which these people were unable to implement. They did not have the funding to do it. We have come across with the program.

Mr. Pope: On a point of order, Mr. Speaker: The minister has not answered the question. Am I going to get an answer?

We are going to have a late show because the minister is not going to answer the question.

Mr. Speaker: Order. That is a very good point of order. If the honourable member reads the standing orders—it is under standing order 28—he can follow that rule.

Mr. Pouliot: Does the minister realize that if we put the riding of Kenora and the riding of Lake Nipigon together, we are talking about approximately 45 per cent of the land mass of the province, and yet the minister's program regarding northern travel fails to incorporate more than 60 per cent of the people in those two ridings? It runs contrary to the intent of his program.

If the minister is aware of this, does he plan to rectify those anomalies very soon so that the people for whom the program was intended can, at long last, benefit from his intentions?

Hon. Mr. Elston: The member for Lake Nipigon has made the point that there have been exclusions. I cannot tell him that we can put everybody in the province into the travel program. We are working at implementing the program on the basis that we will provide transportation for those people who live in remote centres a long way from medically necessary services.

I told the member in estimates and I told other members, including the member for Kenora (Mr. Bernier), that we want to implement this program well. We will consider other additions to the program. Right now, we are entirely committed to ensuring that those people who are more remote than 300 kilometres are going to be covered for medically necessary travel. That is a commitment we have made. It will be implemented. It is implemented. We will be looking at other needs of the people of northern Ontario as we continue to do.

USE OF TIME IN QUESTION PERIOD

Mr. Mackenzie: On a point of order, Mr. Speaker: I ask you to take a look at what happened in the House today. There were 21.5 minutes spent on the leader of the official opposition's question, and a total disrespect and an arrogant disregard for the rights of other members to ask questions in this House—

Mr. Speaker: Order.

Mr. Mackenzie: —as well as an obvious attempt to intimidate the Speaker.

Mr. Speaker: Order. Time for oral questions has expired.

3:40 p.m.

NOTICES OF DISSATISFACTION

Mr. Baetz: I was dissatisfied with the totally facetious and flippant answer I received from the Minister of Natural Resources (Mr. Kerrio) on a very important question. I wish to pursue this further on the adjournment of the House tonight.

Mr. Pope: Mr. Speaker, I am dissatisfied with the answer given to me by the Minister of Health (Mr. Elston), which was a nonanswer. I have signed the documents to voice my objection and I desire leave to discuss this matter this evening.

[Later]

Mr. Speaker: Before I recognize any other speakers, I inform the House that pursuant to standing order 28, the member for Cochrane South (Mr. Pope) has given notice of his dissatisfaction with the answer to his question given by the Minister of Health (Mr. Elston), and also the member for Ottawa West (Mr. Baetz) has given notice of his dissatisfaction with the answer to his question given by the Minister of Natural Resources (Mr. Kerrio). These two matters will be debated at 10:30 p.m.

PETITION

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Pope: I have a petition signed by 150 residents of Cochrane South, which reads as follows:

“Ontario is a multiracial, multicultural and multifaith society that is well served by a strong public school system. Your government’s proposal to extend public funding to Roman Catholic separate secondary schools is a backward step since it will grant special status to one specific denominational group.

“I/we urge you and your government not to proceed with this divisive proposal.”

It was prepared by the Coalition for Public Education.

REPORT

SELECT COMMITTEE ON ENERGY

Mr. Andrewes from the select committee on energy presented a report on the Darlington nuclear generating station and moved adoption of its recommendations.

Interjection.

Mr. Andrewes: The member for Sudbury East (Mr. Martel) is provoking me, Mr Speaker.

In presenting this report, I want to acknowledge the hard work and diligence of the members of the committee. It was my first experience on a select committee and I think the first experience for a number of members in that kind of forum. The committee had a fair challenge offered to it by the Legislature. It accepted that challenge and worked diligently at achieving its goal in a timely way.

In making these remarks, I say a special thank you to the members of the committee for their co-operation, assistance, diligence and forthrightness. As well, I would be remiss if I failed to thank the members of the Legislative research service who assisted in the preparation of the report and who provided documentation and information to the members of the committee throughout our debate and consideration of this matter; and also Mr. Carrozza, the clerk of the committee, who looked after all the incidentals and provided accurate details for the committee’s work.

On motion by Mr. Andrewes, the debate was adjourned.

INTRODUCTION OF BILL

OPERATING ENGINEERS AMENDMENT ACT

Hon. Mr. Kwinter moved, seconded by Mr. Offer, first reading of Bill 74, An Act to amend the Operating Engineers Act.

Motion agreed to.

Hon. Mr. Kwinter: I am pleased to introduce for first reading a bill that may help meet the shortage of qualified operating engineers in Ontario. As some members are aware, operating engineers are provincially certified specialists who operate boilers, compressors and refrigeration plants.

The Operating Engineers Amendment Act before you today will allow engineers certified by other Canadian jurisdictions to apply for an Ontario certificate at the same level. It will also eliminate the need for a one-year provisional certificate for out-of-province operating engineers who come to work in Ontario.

The change should make it easier for Ontario employers who must look outside this province to staff their plants with qualified operating engineers. Ontario currently does not recognize existing grades of operating engineers as certified in other provinces, even though they are equivalent to the Ontario grades.

Under the present act, engineers certified elsewhere in Canada only qualify for an Ontario certificate at one grade below their existing class. They must first apply for a one-year provisional certificate and then a permanent certificate, neither of which recognizes their existing grade based on education and experience.

I hope members will support this change to allow operating engineers to be hired in Ontario at the levels of competency they have established in other provinces.

ORDERS OF THE DAY

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Hon. Mr. Grandmaître moved second reading of Bill 24, An Act to amend the Regional Municipality of Hamilton-Wentworth Act.

Hon. Mr. Grandmaître: This legislation will achieve two goals. First, it will enable the city of Hamilton and the region to separate the assets and liabilities of the Hamilton municipal employees retirement fund, HMERF, which currently covers long-term plan members who are employees of either the city or region. This will allow the city and region to administer their respective portions as separate plans.

Second, it will provide a vehicle for the transfer of plan members to the Ontario municipal employees retirement system, OMERS, by either the city or region if they so desire.

Both the city of Hamilton and the Ontario municipal employees retirement system have been consulted and are agreeable to the changes.

Mr. Dean: I am very pleased to see that the minister has responded to the urgent requests from the region and city to introduce this bill. Let us hope it receives speedy approval today. It is in the nature of a housekeeping bill to the extent that no great change in policy is involved. It is extremely important to the region, the city, and more particularly to some of the retirees who will be covered by its provisions, that it receive complete passage today.

The minister has indicated what its real objective is, namely, to permit the Hamilton-Wentworth regional council and the council of the city of Hamilton to separate the assets and liabilities of the present Hamilton municipal employees retirement fund into two groups to correspond to the two groups of employees.

Most members who have gone through a regionalization will realize that many employees from lower-tier municipalities ended up as regional employees because the functions they

performed became regional responsibilities. That is precisely what occurred in the Hamilton-Wentworth region. Many people who were in the provision of hard services, such as regional roads—formerly county roads—water, sewers, planning, some personnel and finance functions and others, became regional employees. With them went the pension assets they had in the privately organized Hamilton municipal employees retirement fund, which was in existence before the province-wide creation of OMERS.

This has been a long time, shall we say, in generation, but it is a very worthwhile activity. I am pleased the minister has responded to our representations that it needed to be given speedy treatment.

3:50 p.m.

About 80 per cent of the employees are already under OMERS in the regional system and 20 per cent are under the HMERF plan. It is that 20 per cent about which we are particularly concerned. They are people who were working for Hamilton prior to 1963 but who are now regional employees.

The situation is that there is a desire on the part of the employees to transfer their benefits to OMERS with suitable adjustments. As the minister has said, this has had complete discussion with the officials of OMERS, and the municipalities themselves are in agreement.

In anticipation that this would come about, because it was first introduced in June under the minister of the day, the member for Don Mills (Mr. Timbrell), contributions have been made by the affected employees where there are still living employees—we are not talking about retirees or people who are receiving death benefits—since the first of this year on the basis of the OMERS premium; so there is no cost to the province in this happening.

There are, however, two or three cases of people whose spouses were employees of the region and have passed away, who will not receive benefits under OMERS until this bill is passed. That is why it needs to be done as quickly as possible. Because the bill is retroactive to the first of this year, there will be no penalty to the people involved if it is given speedy passage.

Why is today so important? We are caught in a counterbind in the sense that the last meeting of the old regional council is tonight and it would like to wrap up. The inaugural meeting of the new council is tomorrow, but its next regular meeting, when this sort of business would normally be dealt with, will be some time later in the month. If this is not passed today but on

Thursday instead it will result in further inequity and inconvenience to many of those people.

Everything is in place awaiting the passage of the bill. The bylaws for both the city and the region, which are referred to in one of the sections of the bill, have been prepared in accordance with the requirements of OMERS and can be passed tonight if we give them the green light.

I think everyone wants this. The councils are in agreement and the employees through the unions are in agreement. I see no reason we should not be in agreement and I urge speedy passage of the bill today.

Mr. Mackenzie: I rise in support of the passage of this bill as quickly as possible. The bill does allow the splitting and transferring of funds, along with groups of employees, and the transfer of some to OMERS. It is an example of a bill that gets caught up occasionally in the bureaucracy around here and that has negative effects on individuals in the municipality of Hamilton-Wentworth. There are widows who are uneasy because this bill has not been passed through this House.

The city council and region have given their bylaws two readings. They are waiting for the final reading of the bill. The only people who are going to be hurt if we do not expedite this piece of legislation are pensioners and the widows of pensioners in the Hamilton-Wentworth region.

Motion agreed to.

Third reading also agreed to on motion.

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 51, An Act to amend the Gasoline Tax Act.

Mr. Dean: I am pleased to rise as probably the last speaker on this part of the bill, from our caucus at least. I do not know what the other caucus is going to do. This has been before the House for some time and it has had more or less a thorough airing, but the biggest erring, and that is spelled the other way is in the draftmanship of the bill. The Minister of Community and Social Services (Mr. Sweeney) thinks that is going to do in the social service program in the province. I am sorry it has had that effect, it was not intended.

Just to review, because it has been all of 18 hours or thereabouts since this matter was last discussed by one of my colleagues, the tax that is proposed in Bill 51 on gasoline in Ontario does do something with what we have become

accustomed to in the past. Currently, the province collects a tax that varies with the value of the product, a so-called ad valorem tax, similar in principle to sales tax, income tax, property tax and many other taxes we might list. They vary in the size of the collection according to the value of the material we are taxing.

There is no mystery about ad valorem except that those are two Latin words that perhaps we would do well to dispose of. Perhaps that would be something else for the government to consider now that it is getting rid of QCs. It could also get rid of Latin as a lingua franca of the legal community. I think the Treasurer (Mr. Nixon) would go for that. I see him smiling.

Hon. Mr. Nixon: You took Latin and so did I. It distinguishes people of a certain age.

Mr. Dean: We are a vanishing species, I say to the Treasurer.

Whether one wants to call it ad valorem or so much per unit value, the tax that prevails now is charged on the basis of the value of the product taxed. It is a 20 per cent rate, which has been in existence for some years, but the amount was frozen by the former government approximately a year ago or more at the present flat rate of eight cents per litre of gasoline. That is for one type of gasoline. There is a different rate for the different qualities: 8.0 cents for leaded, 8.4 cents for unleaded and 8.6 cents for the premium.

This bill, as is very obvious from reading the relevant sections, would increase the rate for all grades of gasoline to 8.8 cents per litre and at the same time would automatically remove the ad valorem process of calculating the tax.

This increase ranges from approximately five per cent to 10 per cent in the rate of tax over what we are paying at present. I believe this is not a good move. I can see it is a matter of opinion as to whether ad valorem or flat rate is the proper way of taxing. I accept the right of some other group to say flat rate is better than ad valorem rate. I do not happen to agree with that and I will tell the members why in a few moments.

4 p.m.

This government is proposing to get rid of what it thinks is a wrong way of taxing; that is, according to value. Again, I will not press anyone to justify why that is particularly bad on gasoline, if it is okay on sales, incomes, etc. That is an inconsistency that can be dealt with later. Perhaps in a further budget we will be treated to an explanation of why the sales tax should be a flat rate of so much rather than a percentage of the value.

Anyway, that is something for which I know the Treasurer, who is a very logical thinker, probably has a good answer.

Hon. Mr. Nixon: I have a feeling the member for Wentworth, as a logical thinker, has answered his own question.

Mr. Dean: I am not sure, in responding to the interjection—which I should not do—whether there was a question. There was puzzlement.

In any case, I do not regret that someone has another point of view, but I do still very much reject the idea that at the same time as the way the tax is calculated is changed it is also bumped up from what it is now. That is pretty hard to take, particularly when, if the way the tax is calculated were left the same—and it may still be left the same if the Treasurer is persuaded by all the eloquent arguments that have come from this caucus; who knows?—one of the benefits would be that when the price of the fuel went down obviously the tax would go down, just as when the price of fuel went up the tax went up. That is pretty simple mathematics.

There is growing evidence, which we see in reports every day, and more especially one of yesterday, that the actual costs of gasoline and of all kinds of petroleum products are likely to go down rather than up in the next period. It would therefore seem to be very wise of the government, instead of tampering with a system that has been in effect for some time, to let it remain. The consumers of gasoline in Ontario, who for many years up to the present have been faced with a generally upward trend in the price and therefore in the amount of tax, could then not only benefit from a decline in the actual market price of gasoline but also have the further benefit of having to pay less tax per litre, per gallon or whatever way one likes to calculate one's gasoline consumption.

It is estimated the maximum cost increase through the principles and the changes the government is proposing could come to a significant amount per year for a person who drives a car on an average basis. I am not talking at this point about the person who uses it every day of his life to drive several hundred kilometres, such as a travelling salesman or someone else who does a great deal of driving. I am talking about the ordinary person.

We can include in the calculation for an ordinary or average family group the costs of driving to and from work, which could be as much as 50 kilometres away from one's residence; it might even be farther, but that is a good average to take. For people like this, driving a car

is not simply a pleasure activity, although there are times when it is; it is an integral part of their way of seeking and continuing to have employment. Therefore, we will have to agree it is an essential part of everyday life for hundreds of thousands of people in this province.

This is even more noticeable in places outside the major urban centres in which adequate public transportation may be available. The cities of Toronto, Hamilton, Ottawa, London, Windsor, Sudbury and others to a greater or lesser extent, if they do not have absolutely 100 per cent appropriate public transit do at least have a very good start at it and are working at it as their means, and as our means as a provincial government when we subsidize a good bit of their deficit, permit us and them to accommodate and actually afford it. In those communities, while fuel is obviously being used, the main fuel in public transit is not gasoline. We covered very thoroughly the effect of the increase in tax on diesel fuel in a previous debate.

In other communities in Ontario, and the community I come from is an example, although we have some public transit we are not completely transited yet. However, in most communities, those from which many members of the Legislature come—Mr. Speaker, I venture to say your own community almost qualifies to be one of those not exactly overserviced by municipal transit—private automobiles in whatever form, and sometimes even taxi services, which also largely use vehicles powered by gasoline, are the main ways people have of getting around.

Let us start with getting to and from work, with the amount of traffic on the roads in any of our communities in the morning and afternoon rush hours, which are the principal times for people going to and coming from work. In the case of a community such as Hamilton-Wentworth, there is a great deal of shift work and there are more than two rush hours a day; there is at least a third rush hour when the night shift comes to work and the afternoon shift goes away from work. The traffic one sees on the streets and highways around the cities and towns where this kind of travelling to employment is absolutely essential should convince all of us that the need to have an automobile to get to and from work is absolutely paramount to continue the employment that most of us need to earn our daily bread.

Once in a while we see a poor, unfortunate person who has had something happen to his or her car trying to get to work in the morning by hitchhiking along the road. I am sure most of us, provided we have not had a bad experience with

someone trying to rob us when we have picked him up in the past, would stop out of Christian, Hebrew or Muslim charity, or any other kind of religious charity, and give that person a ride, knowing he or she no doubt tried to get the car going. Maybe he had a dead battery, a flat tire or something else. Maybe he was actually out of gasoline. That could happen because sometimes the gas gauge is not accurate. Such a person is in a bad way if he or she does not get extra help where there is no transit service, because the gasoline-powered automobile is about the only way a person can get to work.

There are other aspects of the essential nature of the family automobile. I think I will confine myself mainly to that source, although I recognize that the person who depends on the automobile absolutely for a living is very important. I would class that person as a special case of the person I just described who has to get to work at specific times each day, such as a travelling salesman, a consultant doing a lot of travelling or all the people who are in their automobiles a lot more than we normally are. Of course, they do not normally have drivers as the Treasurer and others on that side of the House frequently have.

We also have to include on the list people who depend to an even greater extent on the automobile to serve the way they make their daily bread. Farmers have trucks that may use diesel fuel and do not come under this, and few of them have gasoline-powered tractors any more, but they do have smaller trucks and automobiles.

4:10 p.m.

For those members who have never operated a farm, I would like to mention that those smaller vehicles, which are capable of easy driving on the road, are absolutely crucial to a farm operator in any season to some extent, but especially so in the busy season. If part of one's farm machinery breaks down, one has to go anywhere from five to 55 miles—that is, nearly 90 kilometres—to get a replacement part. The downtime is very precious if one's machinery cannot operate. One does not go by passenger pigeon. It is usually not practical to get the bus or some other courier to get the part. Anyway, their vehicles may be powered by gasoline too. Normally, if there is a second person around the place to send a farmer prefers to get that person to go in the pickup truck, car, or whatever one has, to get the part while the farm operator does some more of the valuable stuff he has to do.

In those crucial seasons of the farm cycle there is no time to wait around for some part to make its

way by a slow, ordinary process. It is absolutely essential the gasoline the farmer has to spend to get this does not cost him unduly. I mention that on behalf of the person who is so dependent on the availability of gasoline and who is hoping the price does not go out of sight.

When that person reads the news, he is probably hoping the Organization of Petroleum Exporting Countries will make sure it retains its market share and overproduces a little to make sure gasoline is available, thereby driving down the price. He is hoping to have a chance to save not only on the price of the gasoline but also on the tax. Alas, that pious hope will be thwarted if this infamous bill is passed in its present form.

I wish to stress the importance I touched on in a way when I was describing what a farmer has to do to get a part in a hurry. That could apply to any small businessman. It does not have to be a farmer. Whatever one is operating, if one of the machines so essential to the carrying on of one's business breaks down and has to be replaced or repaired, one either goes to get the part oneself or one gets a repair person to come.

Let us think of the thousands of delivery trucks and cars that are sometimes operated as a business or as an adjunct to another business which will deliver to other businesses or homes everything from flowers to furniture, newspapers to food, important parts for a shop to important medicines for a person in dire need of them. These people will all have to pay extra tax money under the proposed bill unless it is seriously modified.

Small business itself will be hit hard by the kind of tax that is now not going to reflect a possible lowering in the price of gasoline. I would like to quote an authority, not on small business but on people who work in other businesses, who has expressed his opinion on this; no less than Clifford Pilkey, who is well known to the members of this chamber and to many people beyond it.

I have had the pleasure of meeting Mr. Pilkey on various occasions and found him to be a very shrewd and perceptive person, no more so than in this comment he made regarding the budget of the Treasurer, and particularly the effect it may have on business.

"The Liberal budget has made token gestures to almost every segment of society but its priorities are not straight." That is what I call a straight comment. "Token gestures" are something for surface perception, nothing significant and in the wrong direction. That last part was my comment.

I return to Mr. Pilkey's quotation: "The government is cutting back on the job creation potential. That is hardly the way to go when the private sector will create 44,000 fewer jobs in 1986 than it did the year previously."

I cite that to show there are people outside this chamber who presumably take a fairly balanced view of these things and who say the budget in general and this tax we are talking about now are misguided and will hit certain small businesses hard.

Another item I want to touch on briefly before I come to the conclusion of my comments is what it will do to the personal shopping of a family.

Some people might be content to use the telephone to respond to advertisements or catalogues, saying, "Please send me X-1983 coloured green with pink spots, and it has to be big enough to suit my daughter who is aged 11." Doing it that way might satisfy some people, but most of us like to go to see the thing, to see whether the pink spots are big enough and whether the green is subdued enough on X-1983. How do we get there? If we happen to live in a place such as Metro Toronto or in some of the other larger cities in Ontario, we can take public transit. However, most of us do not go that way; in most parts of the province, we go by car, or we might go by taxi, but we go in something that is powered by gasoline.

Again, we are faced with the prospect of the government doing something that makes it more difficult—I will not say it makes it crippling—for the average family to jump into the car, whether it be the whole family or portions of it at a time, to go to the shopping centre, the private small store or whatever location they want to go to.

I might interject that sometimes it is not just the store around the corner in the neighbourhood. Sometimes it is one a good many kilometres away, such as the ones we hear advertised over the radio frequently that are in some places not too far, perhaps even in the riding of the Treasurer. I hear advertised, over the radio and TV stations in the Hamilton area, some stores and markets that are up in his part of the world. He should remember that some of those businesses are totally dependent on long-distance customers who get there by car, by gasoline-burning vehicles. It is going to have an adverse effect on those people as well.

As Mr. Pilkey pointed out, small businesses, these genuine job-creating sectors of our economy, are going to be hard hit by many items in the budget, but particularly this one, which they will pay for every day because of the way their

businesses are so dependent on the services of gasoline-powered automobiles.

Many of my colleagues have expressed most eloquently the impact this will have on tourism. I need not go further into that except to say, as in the parts of Ontario that are so dependent on it in the north and the east, we also have many communities in southern Ontario that have a great many very desirable features for visitors to enjoy.

If visitors, especially from the United States, discover the price of gasoline in Ontario is higher than it is in the United States—they soon will, if this proposed tax rate passes, but there is enough of a difference in any event that they will discover it—it makes a mockery out of the award-winning tourist slogan that appears on our licence plates, "Ontario—yours to discover!" That was a real brainwave of an idea for tourism promotion. No wonder it won awards in the American advertising community.

Mr. Baetz: It won many awards.

Mr. Dean: The former Minister of Tourism and Recreation reminds me it won many awards and was a brilliantly conceived concept and slogan. Like him, I regret it appears as though the present government is not going to continue with those bright brains who conceived that award-winning slogan. We still have the slogan. We can still use that and we should keep using it. It presents that aura of a little bit of mystery, excitement and the unknown.

4:20 p.m.

What will it do to our visitors if the first thing they discover is that gasoline prices are even higher than they expected because of the imposition of a further tax? It will make some of those intrepid explorers wanting to discover Ontario decide they have made a mistake. They may either turn around after the first visit to a gasoline station and go back where they came from, or they may curtail their projected trip throughout Ontario to something much shorter. In any case we are all the losers, because we know there is a great spinoff from tourist industry revenues that benefits all communities in the province.

With the tax rate going up and the total revenue from the gasoline tax projected to rise by \$50 million in the current year, an estimated increase of \$50 million, we might think some of this money being taken in—and there must be some reason for it being taken in—would logically go towards the improvement of our highways, which are among the best in the country but can still stand further maintenance and extension.

We are also informed by way of the printed budget from the Treasurer that the Ministry of Transportation and Communications estimates are not being increased by what we might think is \$60 million. In fact, they are not being increased at all; they are being decreased by \$34 million from last year's estimates.

If this tax goes through—we hope it does not and we are going to do our best to see it does not—one suspects the extra dollars that would be taken from the public purse by this increase in the gasoline tax are going to be used for some other devious purposes. That has been discussed before. We do not even get a balanced budget out of it. We get a continuation of expenditures exceeding revenues. In fact, the shortfall this year as proposed by the Treasurer is an increase from last year's \$1.7 billion—which I point out represented a decrease from the prior year; we were on a downward trend on the deficit—to \$2.2 billion. That is \$500 million. That is a lot of money.

Let me illustrate how much \$1 billion is. Unless we are geniuses in the financial world, it is a little difficult to grasp how much \$1 billion is.

Hon. Mr. Nixon: This will be interesting.

Mr. Dean: This should be very good, I think so.

Back in the days when Antony and Cleopatra were cavorting around the Nile, if Antony had given Cleopatra a million dollars—assuming there were some then—and said, "Cleo, go out to the Nile Plaza and spend \$1,000 a day and do not come back until you have spent it all," she would have come back three years later, tired but happy, having exhausted the \$1 million.

Hon. Mr. Nixon: I understand she was worth that every day.

Mr. Dean: The Treasurer is saying she was worth \$1 million every day.

However, had Antony had it in his capacity to give her \$1 billion with the same instructions, "Spend \$1,000 a day and do not come back until it is done," she would not be back yet.

Hon. Mr. Nixon: Would she be half done?

Mr. Dean: She might be worse than that.

It give us some kind of perspective on the difference between \$1 million and \$1 billion. When we are talking about \$500 million, we are talking about half of that very large amount which we have now gone into hock for despite the increases in taxes such as this gasoline tax increase.

One would also think if we are trying to discourage people from using the private auto-

mobile too much, the government would continue to favour the extension of public transit, which had so much encouragement from the government of which I was proud to be a member until June of this year.

As an alternative to the private automobile, public transit seems to be about the only thing, unless we go back to walking again. We did much to encourage public transit in past years. A lot of it is still going on.

I would like to speak briefly about one aspect of it, the GO Transit system, which has been a success almost unparalleled in the annals of public transit, stretching as it does from Oshawa in the east to Hamilton in the west by the Lakeshore line, with many other radiating lines going out from Metropolitan Toronto, the centre of it all.

Living, as I do, at the fringe of the west end of it—that is, near Hamilton—I know that a great deal of time and energy was expended during the last few years to come up with an extension of the distance, volume and calibre of service to both the west end and the east end of the Lakeshore line.

At my end, around Hamilton, a great deal of local dispute centred on the route that was going to be used. We will not get into that at this point. There was a commitment by the present government to extend more frequent and more convenient GO train service both to Hamilton and to Oshawa.

In its desire to show activity and to go forward with proven and good programs, one would think the present government would have taken that over as it was and said: "Wonderful. This is right in line with our thinking on what Ontario should have and what the people up in those areas need."

Did that happen? No, I am sorry to say it did not. There has been an almost inexplicable delay. The whole thing seems to have been shelved. We have had statements from the minister responsible for this program that it is under further discussion and consideration, but nothing to speak of has been done for the last six months.

We are concerned in the Hamilton-Wentworth region that the kind of extended GO train service we were sure we had hammered out with the previous government and it was ready to go on is now facing a very long delay. We will be lucky if we have the extended service there in 10 years. That is not a happy prospect for any of us who know the crowded conditions of the Queen Elizabeth Way, not only during rush hours but at almost any time of the day and in early evening nowadays.

GO Transit is good as far as it goes, but we need to have the commitment of the government for more funding. If by some mischance this higher gasoline tax does go through, I hope the Treasurer will look carefully at augmenting the kind of allocations that are made to the Ministry of Transportation and Communications for GO Transit. I am thinking parochially about the west end of the system. I know it is just as badly needed in the east end, but my colleague the member for Durham West (Mr. Ashe) has spoken eloquently about that.

I want to leave members with one other thought. It refers again to the private automobile, but this time it comes from somebody who speaks much more knowledgeably about it than I ever could. This is taken from the November 1985 edition of the Hamilton Automobile Club News. I might say parenthetically that I am pleased to be a member of that great automobile club, which is one of the oldest in the province and actually predates the Ontario Motor League provincial association in its formation.

4:30 p.m.

In its latest newsletter, executive vice-president Alfred U. Oakie, who has been active in the club for many years, has this to say about the government proposal to impose this new kind of gasoline tax: "Increased gasoline taxes do impact our economy, while penalizing many motorists who need their automobiles to get to and from work every day or even to enjoy the minimum of social activity. Automobiles are not a luxury."

That underlines what I said a little while ago. This comes from an authority on the issue. I will continue quoting Mr. Oakie.

"The provincial budget brought down by the Honourable Robert Nixon"—I should say the honourable Treasurer, but those were the words Mr. Oakie used—"on October 24 was totally frustrating for the motorists of Ontario. The government increased gasoline taxes by up to 10 per cent, motor vehicle registration fees by 12.5 per cent and the driver's licence fees by 40 per cent. Our disappointment in the budget is sharpened by a number of reflections, including the following," and this is the thought I want to leave you with:

"For many years prior to the Liberal Party gaining power as the government body, they were most critical of the Conservative administration's practices re motor vehicle taxes. They would occasionally quote our club's," that is, the Hamilton Automobile Club's, "concern in Hansard as support for their position."

I do not know what happened. There must have been a blurring of vision at the time this item was put in the Treasurer's budget and maybe a bit of selective amnesia concerning all those good things that had been said by the Hamilton Automobile Club and quoted with approval and almost vengeance by the Treasurer in years past.

I close my comments at this time and strongly urge members to support our position that this bill should not pass.

Mr. Bernier: I join this debate and add my voice to the objections to this tax increase. While I do not want to be repetitive, I want to support very strongly what my colleague the member for Wentworth (Mr. Dean) has stated this afternoon. He has done it very clearly and concisely. I know he expresses the very strong feeling all of us on this side of the House have towards this particular tax increase.

It has been the custom in the British Parliament that when a Treasurer brought forward a tax bill, and after pressure from the opposition and further examination of his stand he changed his position, there was a time in the British parliamentary system when the Treasurer would resign. That does not seem to have been the case in the last few years, and while I will not ask for the resignation of the Treasurer I will ask before I conclude that he withdraw the bill totally.

He has, as I pointed out, reduced the gasoline tax very marginally. I think he has reduced it about a dollar per tankful, which is certainly not enough: it should be removed totally.

As one who has had the privilege of being on both sides of the House and has witnessed the introduction of a number of budgets, I recall the comments of the present Treasurer in chastising the former administration with regard to the taxes we imposed. If one goes back in Hansard, one will see how he chastised us for so-called sin taxes, the gasoline tax, and the long list of tax increases the government of the day brought forward. Today he is doing exactly the same thing.

I sat on the other side of the House for a number of years and I heard the member for Brant-Oxford-Norfolk (Mr. Nixon) come forward with some great words of wisdom. I felt strongly that when the Liberals took over the government they would be imaginative, they would be creative, they would have new ideas. They had sat here for 42 years dreaming up some new ideas as to how they could approach the fiscal management of this province.

I sat waiting with bated breath when the Treasurer stood up to give his budget address, in

the hope that something would come forward that was imaginative, that was creative, that would reduce the size of the government or do away with some programs rather than just piling on more taxes. He was not very creative or imaginative. He did the same thing he chastised us for, just piling on more taxes. It is a pittance; in a \$27-billion budget to put on a little gasoline tax like this is totally unacceptable.

I do not want to prolong my remarks but I want to talk about the effect this will have on northern Ontario. I believe some of my northern colleagues have made it very clear to the Treasurer that an automobile in northern Ontario is a way of life, it is not a luxury. We do not have public transportation as they do in southern Ontario. When one thinks that we have 90 per cent of the land mass in northern Ontario and only 10 per cent of the population, one gets some idea of the vastness of that great area and the necessity of having a car.

Hon. Mr. Nixon: I remember when Hudson did not even have paved streets.

Mr. Bernier: That is exactly right, but we did have some public housing coming in because we had a new sawmill. The Treasurer remembers it well. I hope he will organize a members' tour now that he is on the other side. I am sure he will because he was constantly after me to do so when I was Minister of Natural Resources.

There are vast distances in northern Ontario and an automobile is part of our way of life. I suppose it is as much to us as a job. In many instances, if one does not have an automobile one does not have a job. The two go hand in hand. It is certainly a necessity. Many people in northern Ontario have two, not always brand-new cars but a car for the wife and a half-ton truck for the husband; usually a second-hand half-ton truck to get back and forth to work and do the things that have to be done in that very large expanse of the province.

We are very dependent on automobiles. Not only are we dependent on automobiles, but during the summer months we also use gasoline in our outboard motors and in winter it is used in our snowmobiles. In many of the remote areas our native people have to rely on gasoline generators. All this uses gasoline to which the Treasurer has applied a new tax which will add to the cost of living.

The Treasurer should have some sensitivity and some concern for the native people of this province who live in that vast area in northern Ontario that has no roads, that has no connection between reservations and between communities,

that depends on the snowmobile in the winter, the outboard motor in the summer and the gasoline generator in the evening to operate washing machines and televisions.

If he had given it some thought, I am sure he would have stepped back from this tax and said there must be other ways to raise this pittance in this province that has a budget in excess of \$27 billion.

Mr. McCague: It is \$32 billion.

Mr. Bernier: It is \$32 billion. I am sorry; I am a little out on that remark.

In the course of our administration, we recognized the vast distances in northern Ontario, the increased cost of living and the increased cost of operating an automobile in the north, and we reduced the registration fee. We cut it in half. I remember when Darcy McKeough brought forward a \$10 registration fee when it was \$60 in southern Ontario. That showed sensitivity and concern for the large group of people who live in northern Ontario and who have to put up with the increased cost of living.

The Treasurer can do the correct thing now. We are not asking him to reduce the tax, although we think he should; the correct thing would be to wipe it out completely.

4:40 p.m.

His six per cent increase in aviation tax is unconscionable when it comes to northern Ontario because many of the people on Indian reservations depend on airplanes in going from community to community or in getting to the outside world. There will be an increase in the cost of travel and in the cost of living as people move around in the vast areas of northern Ontario.

These were poorly thought-out tax increases. The tax increase on gasoline will have a serious effect on the people of northern Ontario. The aviation tax increase of six per cent will have a serious effect on the cost of travel throughout the north. Of course, it always adds to the cost of living. It is particularly being loaded on the group of people or segment of society that can least afford it. There is nothing else we can do but condemn the government and the Treasurer for going in this direction.

I support my colleagues who are opposing this bill as strenuously as they can. The Treasurer can do the correct thing today. He can admit he has made an error. He can admit he has a conscience. He can admit he has a real concern and sensitivity for the people of this province, particularly those in northern Ontario. In honesty and as sincerely as I can, I ask the Treasurer to reconsider and

withdraw this bill that will see an increase in the gasoline and aviation taxes.

Hon. Mr. Nixon: I consider myself fortunate to have received advice and comments at such length and from so many members on this extremely important bill. I was particularly impressed by the last two speakers for the official opposition, who felt the gas tax should be abandoned, in spite of the fact that according to the budget available to everyone, in the last two years of the Progressive Conservative administration it raised just under \$1 billion from this tax. They dreamt it up, imposed it and established an ad valorem machine that escalated it beyond any reasonable bounds. Then they have the temerity, a word I learned last week, to stand in this place and suggest we are being unconscionable in suggesting a relatively minor increase in the tax.

The honourable members will already be aware that, in introducing the bill, I indicated that because of the views expressed by members on all sides, particularly the members from the north who spoke—at that time they did not include the former Minister of Northern Affairs—I felt it was obvious the bill in its present form would not pass the House. For that reason, I indicated we would reduce it so that its revenue effect would be flat.

I think the members would be interested in knowing that the revenue capability of the gasoline tax at the present rates of consumption returned to the Treasury \$11.8 million a year for each one tenth of a cent per litre of tax; so it is an extremely productive tax. That accounts for the fact that under the Tory administration the tax at the present level returned about \$1 billion.

The members will also be aware from perusing the budget that the commitment to transportation and communications in the province is well over \$1.5 billion. It is not the practice in our government, and I certainly do not want to bring it in, that revenues be earmarked; but it seems to me there is some sense in equating, at least in general terms, revenues from road-user fees such as licences, motor vehicle fuel taxes and gasoline taxes, with the all-in revenue. As a matter of fact, under the budget, although they were not balanced, they were relatively close.

The revenue that comes from gas tax is essential to the proper functioning of the province. It is not a minor tax. It is a full \$1 billion. In my view, it is going to have to change and increase with increasing expenditures, or other means of cutting costs or raising money will have to be determined. I think that should be clear.

On the whole matter of the concept of ad valorem, I believe all of us in this House understand what it means. I am not going to embark on a dissertation about its usefulness in this tax or any other; but in my view, a tax of the type I am proposing, and on which the House is about to vote, of a fixed numbers of dollars per unit injects stability, certainty and simplicity to the revenue and is democratic, healthy and worthy of the support of the members of this House.

It is not within my capability to convince the members opposite of anything. I do not know whether gasoline or petroleum prices are going to go up or down. Just yesterday and the day before the announcement from the Organization of Petroleum Exporting Countries world meeting indicated they were going to reduce their prices. Whatever effect that would have on our cost remains to be seen.

It is interesting that the cost of petroleum in Canada does not seem to be as responsive to OPEC initiatives as many people in this House would think. If one were to buy a litre of gasoline in Calgary today, where there is no gasoline tax at all, one would pay just about what we are paying here. The government does not have revenue coming in because it does not have a gas tax. That is pointed out to us frequently, particularly by Conservatives. The fact the price is the same means the petroleum companies get the difference. They charge what the market will bear.

The most recent studies we have—and I must say they go back to August, as we do not have any more recent than that—which were a spot-test of the price across the country, indicate the price was almost identical within three-tenths or four-tenths of a cent in Calgary as compared with this provincial jurisdiction.

Also, at the level of taxation proposed, which I believe is fair and equitable, the province still has either the second or third lowest taxation of gasoline in Canada. I mentioned these figures previously. The tax in New Brunswick for regular unleaded is 10.1 cents per litre; in Nova Scotia, it is 9.7; in Prince Edward Island, it is 10.1; and in Newfoundland, it is 11.1, etc. The argument put forward by anybody, but particularly the official opposition, seems to be absurd when they indicate that somehow there is something undemocratic or unacceptable when governments with their philosophical bent have taxes substantially higher than those that are proposed here.

4:50 p.m.

There was one comment made, particularly by the member for Sudbury East (Mr. Martel), indicating that a flat tax would have the effect of marginally increasing the tax on leaded fuel. He pointed out that was a good thing, but we should contemplate having substantially larger increases on leaded fuel. The government of Manitoba has done that. This is certainly something we have to consider for a future budget, because the evidence of the deleterious effects of lead residues in the environment are mounting and are quite convincing. Many people maintain a car that uses the cheaper leaded fuels, and I do not blame people who do that. I have even heard of people whose cars are supposed to burn unleaded fuels who disregard that requirement and dump in the other fuels anyway because it saves them a few cents.

As a matter of judgement having to do with the improvement of the environment, we should contemplate adjusting our tax to make it less acceptable to burn leaded fuels. Obviously, there has to be a general policy, I hope co-ordinated with the government of Canada, in that regard.

There were very few other items brought forward in the debate to which I feel I can respond with any particular clarification. There is no doubt this tax, for reasons that are not obvious to everyone, became the object of considerable debate. I have indicated I will bring in an amendment to reduce it so that it will be a flat tax.

The last speaker for the Progressive Conservatives, in a rather hesitant way, indicated that in British tradition—if I had any understanding of that—if I were to contemplate such a move it should be accompanied by my resignation. I reject that out of hand. We have stated clearly that the operation of this parliament, which I consider to be exemplary in most instances, recognizes the rule of the majority, and I believe there is nothing unhealthy about that.

I well remember the occasion when the Honourable W. Darcy McKeough introduced a substantial increase in Ontario health insurance plan premiums which was not acceptable to the opposition and he, with or without grace, reduced it substantially.

I remember the Honourable John White—an idealist if there ever was one, a person who is always proud of the British connection, I suppose maybe unduly so—announcing a tax on energy and justifying it by saying it was not mandatory, that anybody who did not want to pay the tax on heating fuel could simply turn the thermostat

down and put on a sweater. This was not convincing for the members of the House, even for members of his own party, and he soon backtracked.

I do not see anything the matter with that. In this instance, I feel the requirement for me to backtrack is on a slightly different basis. I do not consider it an error in judgement and, frankly, I do not even consider it a breaking of the sacred accord, but these judgements are subjective. While we can have a debate on that in the future, in public or private, with or without custard pies, we will let that go to other judgements here and in eternity.

I am very glad the members of the rational opposition have indicated that, with the statement I previously made on the level of taxation, they are prepared to support this, what we might call secondary initiative.

With that, I would invite all members of the House to support this tax, which is going to enable us to pay for a number of programs we consider essential. We do not like any tax, but this is as fair and productive as most others with the exception perhaps of the income tax.

Let us ring the bells, let us vote and proceed as expeditiously as possible to our goals of justice, equity and fairness.

5:22 p.m.

The House divided on Hon. Mr. Nixon's motion for second reading of Bill 51, which was agreed to on the following vote:

Ayes

Allen, Bossy, Breaugh, Bryden, Callahan, Caplan, Charlton, Conway, Cooke, D. R., Cooke, D. S., Cordiano, Curling, Eakins, Elston, Epp, Ferraro, Fontaine, Foulds, Gigantes, Grande, Grandmaître, Grier, Haggerty, Hayes, Henderson, Johnston, R. F., Kerrio, Keyes, Kwinter, Laughren, Lupusella;

Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Morin-Strom, Munro, Newman, Nixon, Offer, O'Neil, Philip, Polsinelli, Pouliot, Rae, Ramsay, Reville, Reycraft, Riddell, Ruprecht, Sargent, Smith, D. W., Smith, E. J., Sorbara, South, Swart, Sweeney, Van Horne, Ward, Warner, Wildman, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bernier, Cousens, Cureatz, Davis, Dean, Eves, Fish, Gillies, Gregory, Guindon, Harris, Hennessy, Jackson, Johnson, J. M., Lane, Leluk, Marland, McCaffrey, McCague, McFadden, McLean,

McNeil, O'Connor, Partington, Pierce, Pope, Rowe, Runciman, Shymko, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, Timbrell, Treleaven, Turner, Villeneuve.

Ayes 65; nays 41.

Bill ordered for committee of the whole House.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in his chambers.

Clerk of the House: The following is the title of the bill to which His Honour has assented:

Bill 24, An Act to amend the Regional Municipality of Hamilton-Wentworth Act.

House in committee of the whole.

Hon. Mr. Nixon: Mr. Chairman, before you put the bill, the members would be interested to know that the whip for the official opposition has indicated that any votes held on amendments in these bills will not be stacked so the vote will be held without warning when the debate is completed.

I also want to inform the members that under the rules of the House, I am asking a couple of officials of the Ministry of Revenue to join me at the table here to assist me in answering questions put by the honourable members. I look forward to a productive debate in this interesting array of bills.

Mr. Bernier: This is the first time that has ever happened.

Hon. Mr. Nixon: On a point of order, Mr. Chairman: There is a voice from under the gallery saying, "This is the first time it has ever happened." This is the second time the honourable member has been wrong today. He can check with the Clerk of the House if he chooses.

CORPORATIONS TAX AMENDMENT ACT

Consideration of Bill 45, An Act to amend the Corporations Tax Act.

Sections 1 to 15, inclusive, agreed to.

On section 16:

Mr. Foulds: Please bear with me for a minute until I find some notes I made. I believe this the section that allows Eaton's and other large corporations to claim the small business tax exemption. Is that so?

Hon. Mr. Nixon: Yes, it is.

5:30 p.m.

Mr. Foulds: Is there a subsection in all this that allows them to do that?

Hon. Mr. Nixon: It would be worth while and acceptable to me at least if the debate took place on the whole section. If the member wants to take any overt action in that regard, the whole section would be dealt with. However, if we get down to some refined alternatives, I will get more specific information for him.

Mr. Foulds: Basically, I would like to know how the Treasury officials could recommend to the Treasurer (Mr. Nixon), and how he could accept the fact, that a large corporation such as Eaton's should be eligible for a supposedly small business tax exemption. I find that quite outrageous. I would have thought a populist such as the Treasurer would have also.

Hon. Mr. Nixon: It is very interesting, and I am very glad to have a chance to discuss it with the member and other shoppers.

The federal government took initiatives that I felt were quite valuable to simplify the reporting process for corporations. For us to parallel that, we had two alternatives. Since the federal government does not recognize the specific difference established by regulation for small business, we would have to have a separate structure under regulations or under enactment that would separate small businesses per se to arrange it so large businesses would not have the advantage of the lower 10 per cent rate on their first \$200,000 of corporate income.

The specialists, including Gregg Smyth, who is senior budget adviser in Treasury, and Richard Gruchala, who has joined me and is a senior project leader in Revenue, had a formula that would establish this. After they attempted to explain it to me for a little while, I had a feeling it would be very difficult for me to defend it as something that was making corporation income taxes simpler and more direct, easier for business people to deal with and reducing the costs of legal and accounting advice.

An alternative was struck which I thought was useful, and that was not to have that sort of definition for businesses that are obviously big, such as the member's friend Eaton's, but it would be possible to simplify it for everybody, including Eaton's, at the lower end of their revenues.

The member was perfectly correct when he raised in question period, as he is now raising again, that for that part of their revenue, or reported income, large companies such as Eaton's would pay the lower rate of 10 per cent rather than the higher rate of 15 per cent. Therefore, they would have the advantage of

being treated as a small business for a part of their revenue.

The offset was to raise the revenue level for our corporation taxes from 15 per cent to 15.5 per cent. This would compensate neatly, I thought, with the advice of the experts. By allowing large corporations to have the 10 per cent rate on the first part of their revenues, we would lose some money; actually, between an estimated \$55 million to \$60 million. By putting another half per cent on the regular rate, raising it from 15 per cent to 15.5 per cent—small business pays only 10 per cent—we would recoup from big business almost the identical sum of money.

Therefore, we can say to businesses large and small that we have simplified the reporting process. It is simplified to the extent that it is estimated 170,000 small businesses can make almost routine returns without requiring either legal or accounting advice. We are talking about ma and pa businesses or, let us say, incorporated family farms and things such as that.

If such businesses are at the lower end of the revenue scale—and incorporated family farms usually are these days—they simply get a bill from the Ministry of Revenue, write out their cheques and send them in for \$50 or \$100, depending upon the status, and that is all there is to it. If they want to fill out a form and go through the routine, that is the minimum tax payable but they can do that.

I have some additional information here. The net effect of these two balancing factors is not quite identical, but it is as close to it as we can get in this esoteric business, on which I am now obviously an expert.

Mr. Foulds: I have some supplementary questions. Can the Treasurer be precise about how much revenue he gains by the extra half per cent? It seems he is saying that with respect to provincial revenue things balance out, so it does not much matter that Eaton's is getting a tax break at the lower end of the scale because it is not getting one at the higher end. However, he says, "It may be close, but no cigar." I would like to know what, in his esoteric world, his esoteric projections are on each end of the scale.

Hon. Mr. Nixon: I am somewhat embarrassed to report to the member that we missed by \$5 million, but in our favour. The half per cent gives us \$60 million; the simplification costs us \$55 million.

Mr. Foulds: As the Treasurer knows my ideological bent, he will know I do not feel any sorrow about the additional \$5 million. What he is saying, though, is that he is losing \$55 million.

Surely it makes some sense, in trying to establish a fair taxation system for the province, that the \$55 million is from large businesses. I assume it is, or is that \$55 million the total that is lost from large and small businesses?

Hon. Mr. Nixon: The amount lost by way of revenue is not lost by any small businesses, that is correct. On the other hand, the makeup is designed not to come from any small businesses, just from large ones. It is not perfect, but it strikes me as rather neat.

Mr. Foulds: It may be neat, but it may be very imperfect. Let me get this clear. The \$55 million, which is the lost revenue, is lost entirely because large corporations such as Eaton's get the exemption at the \$200,000 income level. Is that correct?

Hon. Mr. Nixon: That is correct.

Mr. Foulds: Then there must be a heck of a lot of other firms besides Eaton's that are taking advantage of that.

Hon. Mr. Nixon: They all are.

Mr. Foulds: How many would that be in Ontario?

Hon. Mr. Nixon: We have it narrowed down to 10,000 to 15,000 firms.

Mr. Foulds: The Treasurer has it narrowed down to 10,000 to 15,000 large firms. That means every large firm operating in the province, in effect.

When I asked the question during question period, it was my impression from the answer the Treasurer gave me that he had actually discussed a number of firms that would benefit from this tax break. The Treasurer shakes his head. Did he not discuss any specific firms?

Hon. Mr. Nixon: No. When it was discussed, though, it is interesting that people who were explaining this to me said, I think a couple of times, "Like Eaton's." I do not think it is proper for me to refer to a specific company and its effect on it. I do not want to do that, but let us say the companies that are in our minds, such as Eaton's, pay a bit more.

Mr. Foulds: What I have not been able to determine is, are all these large firms private companies such as Eaton's is?

Hon. Mr. Nixon: They are designated as Canadian-controlled private corporations. We refer to them as CCPCs in the business.

Mr. Foulds: Oh, how we pick up the jargon so easily.

Hon. Mr. Nixon: That one reminds me of another, CCCP, which is not exactly the same thing.

Mr. Foulds: It is pretty close, though.

Was it beyond the imagination of the Treasurer and his officials to devise a simple way for small businesses only to be exempt? Is that what the Treasurer is telling me?

5:40 p.m.

Hon. Mr. Nixon: I believe the alternative I described first, which was an elaborate and for me incomprehensible formula to separate the two, and one I felt I could not defend in this House, was really what the officials expected me to use, if that is not an unfair sort of attribution of attitude. However, when the discussion came on further and it became apparent there was what I considered to be a neat alternative, I went for it with enthusiasm.

I forget what the question was, but I think it is inappropriate and it is my alternative—not that I thought it up, but I made the choice. I feel it is defensible compared with its alternative. We discussed simplifying the description of "small business"—that is, the statistical taxation description—which I frankly felt was going to fly in the face of an attempt by Michael Wilson and by me to simplify, which is something worth trying to do in this business.

Mr. Foulds: Let me just say—and this is why I am pursuing a line of questioning rather than the line of a rant—

Hon. Mr. Nixon: The member should not do so. I cannot stand a rant.

Mr. Foulds: I am trying very hard not to get into a rant—

Hon. Mr. Nixon: There is no need to rant.

Mr. Foulds: —but I find it very difficult to understand why, with all the expertise available, it is not possible to meet the objective of tax simplification and a simple definition of "small business" that allows small business this legitimate lower rate of taxation and also hits the 10,000 to 15,000 large companies with taxation, if he will forgive me, at both ends of the scale. Why is that not possible?

Hon. Mr. Nixon: The basis of the designation of the small business is something the member would understand by the name of a cumulative deduction account. This has to be kept track of as the business goes through its various fiscal years, and there are dramatic efforts on the part of businesses to keep themselves below the \$200,000 profit-triggering level, where they move into the other tax level.

Upon hearing descriptions of the processes for maintaining their position below the \$200,000 trigger, it was my judgement that we should not

require the small businessmen who were afraid of moving into the big business category to go through those elaborate procedures, but that as they went through the process of making their returns at the truly small level of business, the area to which our sympathies are probably somewhat more strongly directed, the advantages of true simplification and reduction in their costs of doing business with the government more than made up for any fault in the principle of removing the descriptive difference.

Mr. Foulds: The Treasurer is telling me that over the years a number of small businesses crept above the \$200,000 figure.

Hon. Mr. Nixon: They tried not to, because they went from 10 to 15 per cent.

Mr. Foulds: Right. He is telling me that a number looked as if they would creep above this level—

Hon. Mr. Nixon: We want them to.

Mr. Foulds: —and they would then take steps to show a loss or not to make so much money? Like the Treasurer, I am not a Conrad Black or even an economist or a financier.

Hon. Mr. Nixon: Are we not having a great debate?

Mr. Foulds: Would the Treasurer like to—I do not know—

Hon. Mr. Nixon: No, I really am quite convinced that the alternative I chose, from my point of view at least, is the correct one and I hope it can be supported, because it really was designed not to give a break to big business, although frankly I am not averse to that, because the engine of big business creates jobs as well as small business. However, the concept of simplification attracted me. The only criticism I had of Michael Wilson's initiative with the minimum alternative tax was that it appeared to me, as a person who fills out tax forms and hears complaints from others who do, that it was unnecessarily complicated and that there might have been a simpler alternative.

I regret that this business tends to get complicated and that there are snares and pitfalls in simplification. They are often not anticipated. One thinks it can be simplified only to find that adjustments and a new variety of tax preferences are needed to maintain what appears at the time to be fairness and equity.

I do not want to get off the track; however, I hope that in the next few years the provinces and the federal government can embark on a reform of the system, particularly under the federal-provincial tax collection agreement, which I

think is worth maintaining if we can, and I hope we can, that will lead to the sort of simplification that will allow ordinary taxpayers to have a good deal more confidence in the system, so that they do not have to go down the block to H and R Block, or hire their own accountants if their incomes are higher; and so that an ordinary person can cope with the requirements of reporting to his government. I am thinking of retaining Edgar Benson for this, if he is available in the next few years.

Mr. Foulds: As we examine this clause, I am trying to determine who benefits, who suffers and the reason for the Treasurer choosing the options he chose. I understand he made the choice and has accepted the responsibility. He has given us two reasons so far: first, that he did not understand the formula his officials proposed; and second, that he thought it would be too complicated.

A third reason appears to have emerged from his discussions, namely, that businesses in effect avoided paying the higher tax by divesting themselves of some profit. In the Treasurer's words, they took extraordinary steps to remain below the \$200,000 level.

Hon. Mr. Nixon: Extraordinary, but entirely proper.

Mr. Foulds: Legal. It would appear that his officials saw that as either lost revenue or a loophole. I would like to know the extent to which that was used and whether there were any projections within the ministry about the extent to which it was used, what the lost revenue was from that use, and whether any of the firms under examination would have exceeded the \$200,000 figure by \$100,000, \$5 or \$5,000. I would like to get more information in that area.

Hon. Mr. Nixon: I can assure the honourable member that the problem, which I did not then perceive as a problem and I do not believe is a problem, of people at the \$200,000 edge doing things we did not feel should be done was not a matter of important consideration. The simplification aspects were thought to be valuable because they meant those people would not have to go through such significant contortions.

I should take a moment to tell the member that for a taxable income of \$50,000 from a small business, before the budget the tax payable was \$7,500 and after the budget it is \$5,000; so the simplification for businesses at that level is significant.

5:50 p.m.

The member's point is that Eaton's also made \$50,000. Let us say large companies; I do not want to have any bad friends, even among the Eatons. Like all rich businessmen they are loose fish too. At \$100,000, and we are still talking small, the tax payable before the budget was \$15,000; afterwards, it is \$10,000. There is a real advantage to small business. We are looking at people who would be doing business in the suburbs of Thunder Bay or in Paris, Ontario.

Mr. Foulds: In the suburbs of Thunder Bay the only company doing business is the one you want to sell, the Urban Transportation Development Corp.

Hon. Mr. Nixon: Let us go around on that again.

At \$1 million, which is big from my point of view, but still not huge, the tax payable before the budget was \$150,000; afterward, it is \$144,000. We are still looking at savings.

At a taxable income of \$2,200,000, the tax payable before was \$330,000; the tax after is \$330,000, the crossover point.

Mr. Foulds: What is that point again?

Hon. Mr. Nixon: At \$2,200,000 reportable corporate taxable income.

At \$2.5 million, it starts going the other way. At \$10 million profit—there are some of those—the tax payable before was \$1,500,000; afterwards, it is \$1,539,000. The distribution of reporting companies in Ontario is such that the savings, i.e. our losses, were \$55 million, and the gains, i.e. more money paid by companies, all of them at the big end, all of them over the \$2,200,000 income, was \$60 million.

Mr. Foulds: Does the minister have a breakdown of the number of firms paying the tax below that break or crossover point and the number above that point?

Hon. Mr. Nixon: I do not have the numbers, but I can have them reported to the member some time in the near future. One measure of how many they were ought to be correlated with how profitable they are and were. The measure which gave me some confidence in supporting it is that we gained \$60 million and lost \$55 million.

Mr. Foulds: The Treasurer and I approach this question from opposite angles. He approaches it from the point of the provincial revenues, and he is not worried simply because he has made up his losses.

Hon. Mr. Nixon: Small businesses pay less and big businesses pay more. I thought that was explained.

Mr. Foulds: This is a point I want clarified. Has the Treasurer simply made up the revenue? Has he increased it by simplification? The series of figures he has given me indicate he has increased the tax break for taxable incomes of \$200,000 and less.

Hon. Mr. Nixon: Yes.

Mr. Foulds: On average, that is a tax break of about 50 per cent from the figures he has given me?

Hon. Mr. Nixon: No. It is not that much.

Mr. Foulds: How much?

Hon. Mr. Nixon: The big disparity is at the very low end where anybody reporting anything but a routine profit would find a substantial difference. That is at the low end. Before the budget, a company reporting \$50,000 profit would pay \$7,500; after the budget it would be \$5,000. That is a substantial, significant tax break.

Mr. Foulds: Right.

Mr. Andrewes: In the confusion following the vote we passed quickly by section 6. I would ask for the indulgence of the Treasurer, my colleague the member for Port Arthur (Mr. Foulds) and the Chairman to return to section 6 briefly so that I might be allowed to make some comments.

Hon. Mr. Nixon: I have no objection to that.

Mr. Chairman: Before we get to section 6, could we finish section 16?

Mr. Foulds: I would like to make a final point to the Treasurer. When examining his budget next year, he is obviously going to be looking for additional revenues. That is an imperative; it comes with the territory, it comes with his job.

Hon. Mr. Nixon: Maybe not. Everybody is telling me what a big hit this is

Mr. Foulds: I think the Treasurer would like to get that comment on the record.

In the last three minutes before we adjourn, in order to deal with this section, I would like the Treasurer to satisfy my curiosity about why his officials were not able to define small business in such a way that, fiscally, he could not simplify the system and give the breaks just to them.

Hon. Mr. Nixon: My officials were able to give me a formula that they found, as experts in this area, quite satisfactory, and that they felt could be administered.

My own feeling is if I were a small businessman—and in a way I am—I would sooner have the tax break at the lower end, which is substantial, and the simplification of making an

easy return, a routine return. I still think that is right. Do not get the idea the officials could not give me an alternative. They did not give me one I wanted to put to the House.

My experience is that the officials in Treasury and the Ministry of Revenue can do anything.

Mr. Foulds: Would the Treasurer be willing to table that formula? Would he make that formula public?

Hon. Mr. Nixon: I do not see why not. Next?

Mr. Foulds: I wonder whether we could stand down this clause then.

Hon. Mr. Nixon: Do not give me that. On the other hand, it is not possible for me to table it at this time. We do not have that here. It is a matter of discussion. I do not recall an elaborate formula. They said, "This is what we do to deal with the cumulative thing." They pointed out the problems we have already discussed here. I would be glad to have them prepare an explanatory letter about this since I have been unable to explain my point of view to the member, in spite of his probing and effective questions.

Mr. Foulds: I find that response intriguing and interesting as long as I get that explanatory note before Christmas, that is within the next few days.

Hon. Mr. Nixon: As long as the member does not intend to hold the section until then.

Mr. Foulds: No, certainly not.

Hon. Mr. Nixon: Okay, done.

Mr. Foulds: I make a final point that I find it disturbing, as I am sure the Treasurer does, that large firms such as—and I hate to mention them because nobody has mentioned any other names—obviously Eaton's, large private companies, and Simpsons I suppose—Simpsons did not make any profit, the Treasurer seems to be indicating—

Hon. Mr. Nixon: I do not know.

Mr. Foulds: No; he does not know. Why do the large privately held companies get the same tax break for the first \$200,000 that small businesses do? I find that very disturbing and objectionable. I am going to withhold my support for this section, although I will not vote against it.

Hon. Mr. Nixon: I know, Mr. Chairman, you are about to draw our attention to the time, but I cannot believe the member feels that way about it. The big, highly profitable firms pay more after the budget than they did before. They do not like it very much. The small firms, our kind of guys, pay less. That is a good thing.

Mr. Foulds: Okay. The Treasurer makes a very good point, but the point I also want to make is that maybe the big guys could pay even a little bit more. I would like him to consider that in his next budget.

Section 16 agreed to.

Mr. Chairman: Do we have unanimous consent to revert to section 6?

Agreed to.

The House recessed at 6 p.m.

ERRATA

No.	Page	Column	Line	Should read:
33	1165	2	2	the budget I read last Thursday. There will be \$6 million put into this program during the remaining five months of this fiscal year and \$16 million during the next fiscal year.
56	1988	1	13	guideline of 0.2 parts per billion.

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No. 66

Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Tuesday, December 10, 1985
Evening Sitting

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, December 10, 1985

The House resumed at 8 p.m.

House in committee of the whole.

CORPORATIONS TAX AMENDMENT ACT (continued)

Resuming consideration of Bill 45, An Act to amend the Corporations Tax Act.

On section 6:

Mr. Chairman: At six o'clock, we had just reverted to section 6 of the bill. Did the member for Lincoln (Mr. Andrewes) wish to speak to that?

Hon. Mr. Nixon: Mr. Chairman, I wish to inform members that Sewack Gurdin, senior manager for legislation, corporations tax branch, has joined the advisory group at the table.

Mr. Andrewes: Our concern about section 6 of the bill is subsection 12(16) of the act, which in effect does away with the three per cent inventory allowance. First, I would like to know from the Minister of Revenue (Mr. Nixon) what the federal government has planned here and whether he is simply getting a little carried away on piggybacking the federal initiative.

Hon. Mr. Nixon: I think it is our policy to parallel federal initiatives wherever possible. I cannot see any reason to apologize for that. There are obviously places where we not only feel we cannot, but also would not be prepared to support federal initiatives. I am aware this one has not been acted upon because it is correlated with other alternatives, including a reduction in the general corporation tax rate.

I was in the House in another seat in 1977 when the three per cent inventory allowance was brought in. In those days, if I remember correctly, the inflation rate was eight or nine per cent. It was brought in by the then Treasurer, who I believe was Darcy McKeough—I am not sure about that—with the idea that with a rapidly fluctuating rate of inflation businesses that had a substantial inventory deserved some sort of protection. This three per cent allowance was indicated at that time to be appropriate during times when inflation rates were high and fluctuating rapidly.

The member may recall that after 1977 the inflation rate went into a spiral. I am not sure how

high it went, but it was up to 15 per cent or something like that in certain parts of the economy. The three per cent inventory allowance was extremely important and in fact essential.

I am glad to report that while inflation, currently at 4.2 per cent, is higher than we would like and certainly higher than we have experienced historically, it is still substantially down from our previous experience and is steady. The projections are that it will fluctuate between four and 4.4 per cent over the next year and perhaps even over a longer time, but with the general trend being a slowly reducing inflation rate.

I simply say again that the justification for the three per cent inventory allowance in 1977 was not so much a high inflation rate as a rapidly fluctuating one. Manufacturers and other businesses that had a large inventory found it practically impossible to cope with these changes.

That is not the case now. All the projections, federal, provincial and American, are for stability in inflation and a gradual reduction. For that reason, we thought it was suitable and fair to remove that allowance. The value of this to the Treasury is estimated in imprecise terms to be about \$100 million a year. Therefore, it is an extremely significant part of this bill.

Mr. Andrewes: I think the minister's comments sum up our concerns.

With respect to his remarks that the federal government had not initiated this change, it is my understanding from the limited information I have been able to glean on the subject at this stage of the game, and the minister will appreciate that information is quite limited, that what the federal government is looking at is whether to trade off a lower overall rate for some of the specific incentives put in place. Examples would be this three per cent inventory allowance, fast write-offs on certain types of equipment, machinery and so on. They would be looking at whether to trade the one off for the other.

I expect that after a fairly lengthy consideration, with the politics being mixed in as part of the ingredients, no doubt the outcome is going to be a generally accepted lower rate. Under the stable conditions the minister set out for us, a

generally accepted lower rate might be the appropriate solution.

None the less, it is a significant part of every business's calculation. I am told that in 1982, for instance, of 160,000 businesses that turned a profit—God knows how many did not—and actually filed a return and had to pay tax, 70 per cent used this allowance.

It is not something that pales in the face of other measures. Certainly businesses such as car dealerships, furniture manufacturers and dealerships, auto parts manufacturers, and even the farm machinery business, will be hard pressed to find a means of substituting for this considerable tax saving.

I am also told that this particular measure—doing away with this three per cent inventory allowance—could double the tax paid by some small businesses that carry significant inventories.

Therefore, we will oppose this section. In saying that, I only want to caution the minister that we should be proceeding carefully with these changes. It is a fragile economic recovery we are looking at. It is the kind of recovery that could be stalled by this type of action. We approve in principle the paralleling of federal tax measures and federal tax changes, but if this measure has not yet been taken, we would have to question why we have to move now so precipitately.

Hon. Mr. Nixon: There is nothing further I can add, because I am not concealing in any way that this amounts to just under 50 per cent of the revenue aspects of the bill. Our decision has been taken to proceed with it if the House will support us.

I have received comments from some businesses directly affected, as one can imagine. In a situation like this, which increases the revenue, I have not had any letters indicating they like the idea.

I simply say again that the province taxed corporations without this allowance for many years up until 1977. It was brought in as a palliative in response to wildly fluctuating inflation rates. They are no longer fluctuating. In our consideration, it is valid to move to remove this special measure. That is the motion before the House.

8:10 p.m.

Mr. Harris: I would not mind commenting briefly on this section. I have not heard the figure; I should have it. Can the minister tell me how many dollars we are talking about?

Hon. Mr. Nixon: It is \$100 million.

Mr. Harris: This means \$100 million?

The point I want to make is that I am not sure the entire business community, particularly the smaller businesses, appreciates that this measure is before the Legislature and is part of the minister's plan to take more money from corporations. If it were in the form of a higher corporation tax that removed \$100 million from businesses across this province there would probably be a larger reaction and outcry.

It is very important to point out to the businesses across the province what this measure is. As the Treasurer (Mr. Nixon) has indicated, it is a very significant portion of his budget and of this bill before us. I thank the minister and the third party for agreeing to let us concentrate on this section. It slipped by us in the confusion of the opening few moments of this bill, and we apologize for that. One hundred million dollars is a lot of money.

The minister talked about the measure coming in during 1977 and the rationale for the measure. The bottom line is that between then and 1985, eight years later, operating under the rules of the day that the government has set out, businesses planned and budgeted accordingly. Far too often, governments of all descriptions change the rules on corporations in Canada and in Ontario. One of our problems is lack of confidence by our business sector, particularly among small businesses, which have great difficulty keeping up with these things. Nevertheless, these are the rules they have been operating under for the past eight years, from 1977 to 1985.

I remind the minister that income tax was first brought in during 1917 to finance the war; it was just a temporary thing. I do not think anybody argued at the time; it was necessary for the purpose it served. Other things took place in the intervening years, and for some strange reason or other the governments of the day decided there were other useful purposes for this money.

There has been no attempt to repeal income tax either at the federal or the provincial level. If one listens to municipal politicians one will find, much to the chagrin of many people, that they occasionally debate how they could get into the act of income taxes as well.

I do not think that argument holds a lot of water. I appreciate the minister trying to make it, because I do not think there is any other excuse for his using this method of obtaining another \$100 million from the business community in the absence of any offsetting job creation measure, I say with a great deal of regret.

I have commented at length in second reading of some of the other budget bills that I disagree with the government's attitude that by taking more money out of the economy, somehow coming up with some magic programs in the future and putting that money back in, as the Treasurer has argued on many occasions, his budget, because of these offsetting measures, will create jobs in the long run.

I disagree that this is an effective use of the funds. In fact, during the past couple of years history has shown that the moves by the former Ontario government in former Treasurers' budgets to leave more money in the hands of the business community, particularly the small business community, and the federal government even talking about initiatives in that way, do create a climate for job creation in this province.

We have seen this during the past two years, particularly in Ontario where the former government took the tack, "Let us leave the dollar in the hands of the business person who can then spend that whole dollar to expand his business and create jobs;" as opposed to this government's approach, which is to tax it, pretending it can somehow come up with magic programs while ignoring the administrative costs of collecting the tax and dreaming up the programs.

By the admission of all the ministers and of this Treasurer, they have not dreamed them up. We are still waiting for them. The Minister of Northern Development and Mines (Mr. Fontaine) has indicated he has a new program that he is going to come out with at some time. We do not know whether that is early fall 1985, 1986, 1987 or whenever.

The minister wants this \$100 million, and the other \$600 million in taxes he is increasing now, with some promise that in the future he will come out with a program. By the time he collects the tax, the officials dream up the program, he sets up a couple of commissions—as in the case of the Royal Commission on the Northern Environment—gets all the people together and then puts in an administrative process to deliver this program, I am sure in some cases less money will get back than is actually spent.

I suggest that some programs probably cost more than \$1 for every \$1 that gets back out and are totally negative. We know the whole \$1 does not get back. We know there are some costs; I think everybody will acknowledge that, and I have used figures up to and including the whole \$1.

I strongly object to this section of the bill. I strongly object, in the absence of any meaningful

way of spending this \$100 million, to the government using this mechanism and this clause in the bill to get \$100 million out of small businesses and all the businesses in Ontario.

If one wants to get directly to what this credit did, it encouraged businesses, small and large, to maintain proper inventories on the basis that one had to have a stock of products and one had to have a variety of products to be able to sell. The better equipped one was to stock product the more likely one was to have increased sales. In fact, this small credit to offset the interest charges—one could say it could be for anything, but I used to view it when I was a small businessman before I retired to—

Hon. Mr. Nixon: The member was never a small businessman?

8:20 p.m.

Mr. Harris: Right. I viewed it as being a little bit of incentive to order that extra golf ball into my pro shop or that extra hunk of wax into my ski shop and to carry the extra inventory. And of course it offset the interest costs I would have to bear to carry these items. While inflation is about four per cent, as the minister is suggesting to us, it is the cost of the money that is detrimental to carrying inventory. The cost of that money, depending on the credit rating of the business, is still in the range of 10 per cent to 13 per cent.

If some of these businesses got locked into loans with one of my favourite institutions, the Federal Business Development Bank, back when the Trudeau Liberals were running it, some of them are still paying 22 per cent to 24 per cent. Perhaps the Canadian Imperial Bank of Commerce still has a few hooked in that way. It bothers me that the Federal Business Development Bank did that. I realize the bank may not be germane to the conversation, but the interest rates paid by these businesses are.

Normally, we are talking about the operating loan in a business. Those are still well over 10 per cent, in the 12 per cent to 14 per cent range. The three per cent tax credit does not compensate one for carrying inventory but it goes a small way to encouraging businesses.

When a business carries that inventory it is in a better position to sell, to make money and hire an extra stockboy to shuffle it around and a salesman to sell it. There are two jobs right there for every business in the province. I do not know how many that adds up to.

At the same time, when one orders the extra product one is encouraging other industries in manufacturing. Let us talk about the auto industry. With a car dealer, because of this small

incentive perhaps has three or four more cars on the lot, not only is he providing better service and selection but in the case of our auto industry—and I know the party to the left may consider supporting this just to help maintain those union jobs in the auto sector in Ontario—it is also a tremendous economic benefit to the province.

If we want to talk about where it came from and why it is there, I can argue that way. I believe the Treasurer is a little wet in that argument. If one wants to argue that it is just \$100 million, regardless of whether one takes it this way or another—

Hon. Mr. Nixon: I never qualify \$100 million in that way.

Mr. Harris: I am sorry; did the Treasurer say "a qualified \$100 million"?

Hon. Mr. Nixon: I do not qualify it; I do not say "just."

Mr. Harris: Does the Treasurer mean it could be more or less?

Hon. Mr. Nixon: No, it is \$100 million, but I do not say "just \$100 million." It is an important amount of money.

Mr. Harris: I appreciate that; however, when section 6 was skipped over the Treasurer did not jump to his feet to point out to the members and to the business community that there is a section here that grabs \$100 million from all the businesses in Ontario.

Mr. Foulds: He said so in the budget.

Hon. Mr. Nixon: They know it. The question is, does the member?

Mr. Harris: I do know it and I acknowledge that in the confusion I can accept responsibility for being remiss because I feel strongly about certain—

Mr. Villeneuve: We just noticed it.

Hon. Mr. Nixon: Is the member going to accept being criticized in that way?

Mr. Harris: No, I am accepting responsibility. It is one of the sections I was particularly concerned about in our caucus. We want to spend some time on it today. I accept responsibility for missing this early on.

With regard to the three per cent opening inventory allowance, there are businesses and companies to which I have talked on the matter. A few weeks ago I had a discussion regarding the budget at the round table at Valenti's restaurant in North Bay. We were talking about what this budget was doing and I confess I raised the subject of the three per cent inventory allowance because I suspected that not very many people,

especially the average guy in the street, had heard about it. It did not get a lot of play in the papers. It bothers me that \$100 million does not get a lot of play.

They were surprised it was there. They send a message to the Treasurer and his friends at Earl's garage that they are not happy with this aspect of Bill 45.

The Treasurer talked about paralleling federal initiatives, and I missed the first five seconds. Can I confirm that the federal government has not moved on this initiative; that we are, in fact, leading the federal initiative here. Is that correct?

Hon. Mr. Nixon: Sometimes that happens.

Mr. Harris: I wondered why the Treasurer made the argument about paralleling federal initiatives with respect to this section.

Hon. Mr. Nixon: They recommended it. They say they are considering it. They are Conservatives; we are Liberals.

Mr. Harris: I applaud the Treasurer in his consistency with the same parallel that I know he strongly believes in with the capital gains. I know when we talk in the future, the Treasurer will want to parallel the federal initiatives.

What it all points to is that the Treasurer uses the arguments in any way he can to his specific narrow advantage in a section at a time. We are talking about \$100 million throughout. I thought maybe the Treasurer was talking about paralleling federal initiatives concerning the half-year capital cost allowance.

I am informed this does not fit precisely into section 6. I am also informed this aspect of the budget can be done by regulation, which means that short of the House leader actually scheduling any debate on the budget I will not really have an opportunity throughout any of the considerations on the budget bills to comment on why I disagree with his argument on paralleling the federal capital cost allowance.

I disagree with the federal government's move in that regard as well. If I can tie it into the Treasurer's comments on paralleling the federal Income Tax Act—I do not know how he got to use this argument, because I heard it—he talked about six months as a fair and proper adjustment for depreciation of assets that a company acquires in any one year. I suppose that is fair for anybody who acquired it in the last month, but it is not very fair for somebody who acquired these assets earlier. We are talking about machinery now, equipment that is essential to a business. In many cases we are talking about extra jobs. Normally when people are buying these types of things, they are adding equipment or machinery to their

businesses. They are either expanding or modernizing, which would ensure jobs; or they are getting into new jobs. Of course, one would also hope they are buying Canadian technology and creating jobs there too.

There is very little incentive to buy in the first month of one's tax year; in fact, there is a disincentive. I suggest any kind of disincentive at this time, during what I believe is a very fragile recovery period in the province's history, is not good. I am sure the Treasurer will acknowledge that the disincentive period is at least six months for those companies which are at the start of their fiscal year.

Mr. Chairman, I want to thank you for allowing me to get a few of those points on the record, because I appreciate they do not fall entirely within section 6, although I thought I made a good connection. I appreciate your allowing me to comment.

To get back to the inventory allowance, what section is that? Is it subsection 3?

Mr. Chairman: Under the old act it would be 16; it is subsection 6(3) under this act. I think that is the one you are referring to, the inventory allowance. Is that correct?

8:30 p.m.

Hon. Mr. Nixon: On page 4 of the act, there is a (16) before the three lines; that collects the \$100 million.

Mr. Harris: Right. "The addition of subsection 12(16); is that the part? What is the other part up there in subsection 6(3)?

Hon. Mr. Nixon: The note says, "Inventory allowance disallowed."

Mr. Harris: Yes, but what does the other little paragraph in subsection 6(3) apply to?

Mr. Foulds: Nothing; the Chairman was out of order.

Mr. Harris: I am concerned. I think I am going to vote against the whole subsection, and I am quite certain that after my argument the third party may join us. If there is something important the Treasurer has in that first paragraph maybe we could figure out the technicality so that it could stay in the bill. Those are my comments on the opening inventory allowance, the three per cent, being done away with.

In the light of that, the Treasurer might want to reconsider whether this is the appropriate time to take \$100 million out of the business community of Ontario. I might even look at it in a more positive light if he were to tell me the removal of this three per cent would take effect when he

announces the programs he says his government is going to announce.

To grab the money first and say that some time down the road we are going to have a wonderful program, I find a little too difficult to accept. I would encourage all members of the Legislature to consider voting against subsection 6(3) at this time.

Hon. Mr. Nixon: I find the member's argument compelling but not convincing. I want to refer to two or three things he said, particularly from his own business experience as a small businessman paying interest rates and so on, which are a substantial burden. The interest rates at 10 per cent—I presume he got prime rate—are too high yet, but except for recent history they are historically low and dropping slowly, which I am sure the member would agree is a nice trend.

He also referred to the absence of stated programs to utilize the money that will accrue to the Treasury. He must be aware of the commitments made by my colleague in Agriculture and Food. It has been the subject of considerable discussion here, and people in the agricultural community, individually and in editorial comments, have praised the Minister of Agriculture and Food (Mr. Riddell) to the skies for his leadership in this regard. They have praised his assistance to the federal Minister of Agriculture in establishing tripartite, in approaching an agreement with the tobacco producers and manufacturers—unfortunately that is not yet a fact but we have high hopes—and in producing the Ontario family farm interest rate reduction program, OFFIRR, a very appropriate acronym, which gives further assistance to the farmers.

My colleague the Minister of Skills Development (Mr. Sorbara) has announced a program called Futures. Members may have seen the compelling advertisements offering a chance to young people under age 24 for a full year of employment, something we think is needed now and has been needed for years, but which cannot be offered without its concomitant costs: \$150 million this year, \$200 million next year. I could go on.

To show you how effective those programs are, the member and his colleagues must be aware that the Statistics Canada report for November, the most recent report on employment, now just four days old, indicated a drop in unemployment for all of Canada of 0.1 per cent, something to be applauded. We read in the Toronto Star that the Prime Minister of Canada planted questions in the House so that he could

respond with this good news, a 0.1 per cent reduction in employment.

In Ontario, directly as a response to the programs funded by this budget and with the confidence inspired in the business community by this budget, the unemployment rate fell 0.5 per cent, a historic drop. For the first time in many months, Ontario can now say we have the lowest unemployment rate in Canada, and we are very proud of that. The unemployment rate is now 7.4 per cent.

A year ago, when the member for St. Andrew-St. Patrick (Mr. Grossman), the Leader of the Opposition, was Treasurer and doing his best, his own inestimable best, the unemployment rate was nine per cent. I am not apologetic. I am a bit surprised the members of the opposition did not question the Treasurer or the Minister of Labour (Mr. Wrye) about the employment rates when it was generally known by anybody who follows these things as closely as the member obviously does that we have achieved a tremendous breakthrough, something that has been held back by the inadequate policies of our predecessors.

For the member to indicate the initiatives in the budget have somehow stultified the enthusiasm of the business community is definitely wrong. These are not my figures. They are labour force statistics collected by the government of Canada, not known for its Liberal propensities. I am glad to bring them to the member's attention without emphasizing them unduly.

In response to the points made by the member, the money has been allocated to programs, and we think they are good and appropriate programs. We campaigned on them in the election campaign, which resulted in us being on this side and those members being on that side. It is our responsibility to fulfil those commitments and—

Mr. Chairman: Order. I was patient with the member for Nipissing (Mr. Harris), who went a little astray, and I have been equally lenient with the Treasurer, who has gone astray. We are going much too far from the bill in front of us. Section 6.

Hon. Mr. Nixon: Before we leave this one, the inventory allowance still remains at 100 per cent. One does not pay tax on the inventory amount and one deducts that amount. The three per cent was an additional one put on in 1977 for a period of high and fluctuating inflation rates, and with the concurrence of the House it will be removed in 1985.

All the points the member made were good and interesting, but he did make an additional point

which I thought was particularly apropos dealing with the capital cost allowance half-year convention. It is true that this, announced in the budget, which will also return us \$100 million in revenue, is going to be accomplished by way of regulation, just the way it was adjusted previously. There is no change in the procedure.

The half-year convention was established by the government of Canada in 1981 and the member is aware of my commitment to parallelism wherever possible. In this instance we feel that paralleling is long overdue and we should follow the lead of the government of Canada in this connection. It was not a Conservative government, but the Conservative government has not seen fit to reverse the decision taken four years ago.

The federal government at the time argued that since capital expenditures are made throughout the year, it is inappropriate to provide a full-year deduction for every asset purchased during the year. For accounting purposes, depreciation charges commence when an asset is put to use. We do not feel that is anything but fair and equitable; and it turns out, coincidentally, that it is revenue positive.

8:40 p.m.

Mr. Foulds: I have listened to the arguments put on both sides of this question. Both sides have put flawed and selective arguments, if I may say so. There have been thoughtful points in the debate and some not so thoughtful. The last statement of the Treasurer and his puffery about the unemployment rate almost swung me to support my colleagues to the right.

Surely the Treasurer would admit that an unemployment rate of 7.4 per cent is totally unacceptable. It is slightly better than the previous rate, but I very strongly suggest that nothing the Treasurer has done in the budget has had a direct effect on the reduction of the unemployment rate.

Let me say this, however, about the new subsection 16 referred to in subsection 6(3) of the bill, which is what we are actually discussing. In my more rhetorical moments, which I am not going to allow myself this evening, and in the more rhetorical moments of some of my colleagues, it would be fair to say we would call this plugging one of the tax loopholes. For that reason, we will be supporting the Treasurer on this section. Flawed though some of his arguments are, they are less flawed than those of the official opposition.

Mr. Harris: I have a couple of comments that may lead to a couple of more questions of the

Treasurer. Now that there is no opportunity to garner support, I do not have to be nice any more.

The Treasurer alluded to a few things. I would argue that how this money is being spent is particularly relevant to whether this Legislature should allow passage of a bill that empowers it to garner this extra money.

I thank the Treasurer for his calculation on moving to the half-year convention of the \$100 million. Quite frankly, I was not aware it was quite that much money. To my previous comments about that section, he can add further astonishment that this is another \$100 million out of the business community of Ontario. I doubt that figure is well understood.

Hon. Mr. Nixon: The figure is on page 33 of the budget.

Mr. Harris: The figure that shows the extra \$100 million?

Hon. Mr. Nixon: It shows a total of \$205 million for the full year.

Mr. Harris: I thank the Treasurer not only for reminding me, but for putting it on the record during this discussion tonight and indicating he is not always trying to brush over quickly the extra \$100 million here and the extra \$100 million there.

The Treasurer did allude to the unemployment rate and why we had not asked him a question on it. That has now been answered pretty well by the third party. We are not self-flattering types of people. Pretty well everybody would accept that the moves in that direction are a result of economic measures and directions from governments that were taking place over the last couple of years.

I want to comment briefly on the Treasurer's reference to the unemployment rate. In the future, perhaps six months or a year from now, he will want to measure the effects of his budget and the effects of pulling all this extra money out of the economy. I am not sure the unemployment rate is exactly the best measure of how well one's budget has done to create economic activity in the province. The unemployment rate could go down when people leave the province. If that was the reason, it would not be one that a Treasurer of a government would be proud of. The unemployment rate could also go down because people gave up looking for jobs. In that case, the Treasurer would not be very proud of talking about it.

I assure the Treasurer we will be measuring the effects of this extra grab of money out of the economy, not so much on the unemployment rate, on which we are acknowledged to be doing

better than the rest of Canada as a result of the former government's actions, but more in the area of the employment rate. How many people are working in Ontario? Those figures, I am sure the Treasurer will concur with me, are more meaningful in evaluating whether his budget will be anywhere close to being as successful as the wonderful budgets we have had for several previous years.

The Treasurer also talked about spending this money on programs such as Futures. He referred to advertising, and I am glad he did, because the only net effect we have seen so far as a generator of economic activity is what appears to me to be a significant increase in the advertising budget of the youth programs, the billboards I see and the advertisements I hear on the radio throughout my town.

Before I flew down here on Monday morning to partake of this challenging debate, I heard two ads on my way to the airport, and I live three minutes from the airport. I might have flipped channels; I will acknowledge that to both the Treasurer and the minister responsible. We are concerned about those advertising dollars. I serve notice to the minister, who I know is in the House tonight, that we will scrutinize very carefully whether the whole \$150 million is going into advertising or what percentage of it is going there.

I also point out to the Treasurer that it has been very well established by irrefutable challenges in this Legislature from my colleague the member for Brantford (Mr. Gillies), both in question period and by press release, that no new money is going into the youth program. It has been reorganized and called different names. New brochures have been ordered and new billboards have gone up. There are new pamphlets and new ads, and we are calling it something different.

Maybe that is good. The member for Brantford acknowledged it was good, that there did have to be some consolidation of programs and some new direction. In fact, he was in the process of doing that himself. However, when we are talking about dollars, there is no new money.

I do not think that is a particularly good rationalization for the Treasurer to use. I assume he was trying to persuade me to change my mind, and that is fair. I issued the challenge that if I thought he was spending the money wisely I would change my mind on subsection 6(3). However, this is not going to change my mind. When no new money is going into programs, why does he need \$700 million more?

8:50 p.m.

I point out as well that it is not just \$700 million. These changes bring in \$700 million, but if one looks over 1984-85, there are revenue inflows—I suggest those are actuals—of \$25.196 billion. The 1985-86 budget plan appears to take in \$30.483 billion, which is an increase of about \$5.3 billion. The Treasurer has acknowledged that the measures we are debating this evening, of which section 6 is one, are \$700 million.

I assume that increased economic activity, more people paying taxes and the modest rate of inflation would account for about \$4.6 billion or \$4.7 billion. I am not trying to add it correctly; I think the Treasurer gets the point of the numbers we are talking about.

The Treasurer has approximately \$4 billion extra. He has talked about programs. I assume he used his two-star examples of agriculture and the Futures program. We think Futures is pretty well established; there is no new money. As to agriculture, we are very suspicious. We would like to see the total spent in agriculture at the end of this fiscal year, not the amount he says is going to be spent. There is \$50 million in some program and the uptake so far is \$5 million. There are another four months by which the Treasurer says by some miracle that money is going to be made available.

If the Minister of Agriculture and Food would stand in his place and say, "That money is there for agriculture whether it is taken up in that program or not," the Treasurer would have a little more credibility in his argument that this is in fact the amount of money going into agriculture.

I challenge the Treasurer to add up all the money put into agriculture by the former government through the Board of Industrial Leadership and Development initiatives and the other programs through which money was made available to agriculture. Let us see at the end of fiscal 1985-86 how much money has been spent this year. Then the minister may be able to stand in his place and say there was a modest increase. I hope he can. Most of us would acknowledge that agriculture needs more money.

While I am disappointed that the arguments I and the member for Durham-York have used have convinced neither the Treasurer nor the member for Port Arthur to vote against this section of the bill, I can equally assure the House that I have heard nothing that convinces me as being any reason on God's green earth that the Treasurer needs this \$100 million so badly it has to be taken away from the business and economic activity of the province.

Mr. Chairman: Do any other members wish to participate in the debate on section 6?

Since there seems to be a bit of confusion as to whether we are voting on subsection 6(1), 6(2) or 6(3), let us carry them.

Mr. McClellan: They have already been carried.

Mr. Chairman: No, they have not already been carried. We had unanimous consent to revert to section 6.

Shall subsection 6(1) stand as part of the bill? Agreed.

Shall subsection 6(2) stand as part of the bill? Agreed.

Shall subsection 6(3) stand as part of the bill?

The committee divided on whether subsection 6(3) should stand as part of the bill, which was agreed to on the following vote:

Ayes 60; nays 34.

Section 6 agreed to.

9:13 p.m.

On section 17:

Mr. Chairman: Mr. Andrewes moves that subsection 33a(1) of the act, as set out in subsection 17(1) of the bill, be struck out and the following substituted therefor:

"(1) There may be deducted from the tax otherwise payable under this part, for the first, second or third taxation year of a corporation, an amount equal to 15.5 per cent of the amount determined under subsection 33(2),

"(a) if the corporation is eligible to claim and has claimed, with respect to the taxation year, a deduction under section 125 of the Income Tax Act (Canada), and

"(b) if an amount equal to the deduction is reinvested in the corporation."

Mr. Andrewes: Briefly, because we want to move on and make some progress on this bill tonight, I do not want to repeat a litany of all the benefits of small business. This amendment exempts small businesses from paying tax. It was a position this party put forward in the spring when we had our last consultation with the people. We know it will cost the Treasury in the neighbourhood of \$325 million a year, but it is important to realize that the reinstatement of this exemption does some very desirable—

Mr. Chairman: Order. Excuse me. Would the members on the government side standing and talking to the Minister of the Environment (Mr. Bradley) please remove themselves to some other place. Also, would the members behind the member for Scarborough Centre (Mr. Davis)

either keep it down or remove themselves. The member is having trouble making himself heard.

Mr. Andrewes: Thank you, Mr. Chairman. Shall I speak more loudly?

Hon. Mr. Kerrio: Louder, no; faster, yes.

Mr. Andrewes: That is not fair.

As I was saying before I was so rudely interrupted, our position is that the tax exemption bears good fruit, as long as it is reinvested in the firm. We feel very strongly that small businesses do take initiatives. They are the best judges of where to invest these dollars. They are creative, enthusiastic and willing to be innovative and take chances. It is what this country was built on. The minister knows that very well, as I do.

9:20 p.m.

In the absence of any other direct initiative for small businesses or any businesses, the Treasurer has taken \$100 million on this last bit of discussion we had, he has taken another \$100 million on the increase and he has taken another chunk on the switch to the half-yearly thing—

Hon. Mr. Kerrio: To pay all the bills the Tories left us.

Mr. Andrewes: One does not pay for these things by riding on the backs of small businesses. That is the point we are trying to make.

My colleague the member for Nipissing made the point that this budget does not address businesses in any substantive way. That is what we are trying to do. There is nothing to stimulate the economic growth the Treasurer so vitally needs to meet his rather extravagant programs. There is nothing to encourage the maintenance of the growth that we have seen during the past 24 months or to reduce the unemployment levels we are all so very conscious of.

I ask members to support this amendment, particularly at a time when we understand the economy needs the stimulus and drive this amendment will create.

Hon. Mr. Nixon: The concept of the amendment is certainly good, but it is so ill defined we find it impossible to accept.

The Revenue critic has added a section as follows: "If an amount equal to the deduction is reinvested in the corporation." Until recently I would have thought that made good sense, but the verb "reinvested" has problems of definition.

A person who is accepting the exemption under the first three-year rule could very well decide the investment might be that he would not pay dividends. That may be all right, but it is not listed as one of the accepted reinvestments. He

could invest in assets, and it seems to me that would be acceptable, but it is not listed there.

It could be that, as president of a small company, he might lend himself as a shareholder a portion of the money, and that is not referred to. If he were a really aggressive executive, the president of a small company, he might decide he needed a Corvette, or even a car similar to those driven by the members of the opposition. The honourable critic goes steaming past me on the Queen Elizabeth Way in a very nifty car indeed, which he bought and paid for with his own money out of the peach trees he keeps telling us about.

The owner of a small corporation could take the Minister of Revenue to the cleaners—and we do not want that, do we?—by reinvesting money in a corporate vehicle that is not prescribed. The point is perhaps a bit extreme in the examples I put forward, but I think the point also is clear that the verb the member used in his amendment is so ill defined that we would find it unacceptable.

It is also possible that the time of the reinvestment under this amendment could be very brief; it could be a few months or perhaps a year. The member might want to contemplate something longer than that, but it is certainly not part of this amendment.

In concept I found the amendment attractive before the budget, and I find it attractive now. I can say quite sincerely that I will give it further review. The member must know of a good reason why I would find it reasonably interesting.

I must tell him, and this is perhaps a special prejudice I have, that basically I think if a corporation makes a profit it should pay its share of tax. The concept of the holiday does not fill me with enthusiasm. We have maintained it and I do not want to indicate it is in jeopardy, but as Treasurer and Minister of Revenue I can tell him that matter will be under review some time in the future if I have such an opportunity.

We do not want to support the amendment, and we urge the House not to support it. As is so often the case from the member the idea has merit, but we feel it is too ill defined to be acceptable in these terms.

Mr. Andrewes: I apologize to the Treasurer for my careless draftsmanship. I sought the advice of legislative counsel on these matters, and I can assure the Treasurer this drafting was done in a very professional way.

If we have missed the mark, I am quite prepared to accept that. What I am looking for is an endorsement in principle of the tax holiday. If I have convinced the Treasurer the principle is a

good one, then perhaps we can sit down now and put our heads together and come up with the correct wording.

I tell him as well, if this amendment does not meet his specifications, we have another one that might.

Hon. Mr. Nixon: I have already indicated the tax holiday does not fill me with enthusiasm. As Minister of Revenue, I would prefer to go by the rule of thumb that if it is a profitable corporation it would pay tax.

We understand that with the initiative of our predecessors, particularly the member for Muskoka (Mr. F. S. Miller), the concept of the tax holiday became a rather major part of our corporate policy. As a matter of fact, there was a holiday for all small businesses for a time, a very expensive contribution indeed.

It is very difficult to determine how responsive the business cycle was to that stimulus. My own feelings are perhaps a bit prejudiced, and I am not prepared to indicate I believe it brought us out of a recession, since other jurisdictions without this particularly generous provision came out at the same rate or faster than we did.

9:30 p.m.

If the member is trying to get my commitment for that concept, it is here in this act; we are not removing it. Essentially, I feel the profitable concerns should pay their share. We are not prepared to accept the amendment he has put forward. It is not any particular criticism of the draftsmanship, because we feel the concept the member put to the draftsman was basically flawed.

9:44 p.m.

The committee divided on Mr. Andrewes's amendment to section 17, which was negatived on the following vote:

Ayes 38; nays 63.

Mr. McClellan: On a point of order, Mr. Chairman: Before we get to the next amendment and the next vote, do I understand we have an agreement to stack the votes on the remaining amendments to 10:15 p.m.? It is my understanding this is possible.

Mr. Timbrell: Mr. Chairman, that is what I discussed with the honourable member, that for the balance of the evening we would stack.

Mr. Chairman: Is it agreed that all further votes this evening will be stacked to 10:15 p.m.?

Agreed to.

Mr. Andrewes: I am astounded that my amendment failed, but since it did, I am quite prepared to move another one.

Hon. Mr. Nixon: On a point of order, Mr. Chairman: There may be some sort of modern approach to this, but the real rules of the assembly always were and should be that when an amendment fails, the section carries.

Some hon. members: No.

Mr. Foulds: On a point of order, Mr. Chairman: My understanding is that it is the usual courtesy to provide other members, or at least other spokesmen, with the proposed amendment that is coming forward. We have not seen it and I do not have it.

Mr. Andrewes: The reason we did not circulate the second amendment is that we expected the first one to carry.

Mr. Chairman: Mr. Andrewes moves that subsection 33a(1) of the act, as set out in subsection 17(1) of the bill, be struck out and the following substituted therefor:

"(1) Where a new employee is hired, 25 per cent of the salary of that employee may be deducted from the tax payable by the corporation hiring the employee if the corporation is eligible to claim and has claimed, with respect to the taxation year, a deduction under section 125 of the Income Tax Act (Canada)."

9:50 p.m.

Mr. Andrewes: Before the minister checks his rules, I had better get this off my chest. He did express some concern about our previous amendment and talked, in the extreme to some degree, about people exercising discretion with respect to a tax holiday that would allow them to invest in expensive sports cars, declare dividends, make loans to shareholders or even conduct expensive study sessions under the palms.

The argument is at least consistent with the arguments put forward by the leader of the Liberal Party who, some time ago in 1985, was equally critical of a program that somewhat paralleled our last amendment when he attacked the proposal of enterprise for not ensuring that the money companies saved on the tax break would create jobs. A company that spent its taxes on foreign imports, speculating in land or lavishly redecorating executive offices would be treated in exactly the same as a company that hired 20 new workers.

The Treasurer is at least consistent in making that argument, although he makes it much more convincingly than the then leader of the Liberal Party, now the Premier (Mr. Peterson), did on those occasions.

I have a little problem in that I feel there is an aura of mistrust for the small business owner. My

colleague the member for St. George (Ms. Fish) reminds me that I am not to call them small businessmen, they are small business owners. The Treasurer has created an aura of mistrust by suggesting that people will take advantage of this tax holiday we propose.

We proposed this other amendment, which he will find much more to his liking, because on April 3, 1985, Alan Christie of the Toronto Star quoted the leader of the Liberal Party as saying: "Under the proposal, a Liberal government would introduce a refundable tax credit that would pay 25 per cent of the first year's salary of new employees hired by small business." Does that sound familiar? He went on to say: "'By giving up \$100 million a year in taxes, 22,000 full-time positions would be created,' Peterson said."

I rest my case.

Hon. Mr. Nixon: The member saw me messing around with the rule book. Standing order 58 does not really apply, but the members ought to hear it: "When time permits, amendments proposed to be moved to bills in any committee shall be filed with the Clerk of the House at least two hours before the bill is to be considered, and copies of such proposed amendments shall be distributed to all parties."

In a commendable effort to save money, the Tories, the official opposition, put both these amendments on one page, but rather than obey the rules, they went to the trouble of tearing the bottom off the one they sent over to me so they could have this nice little surprise. We can, however, read them like a book; this is exactly what we expected, and a very good amendment it is, too.

The actual difficulty with the amendment is that in spite of other flaws I will point out in a moment or two, it would cost the Ministry of Revenue a minimum of an additional \$100 million. That puts it in the same category as one or two other responsible and carefully thought-out indications made by our party during the election campaign that we fully intend to review in the future, such as the \$4 exemption from sales tax for meals. Who could possibly be against that?

However, it is not possible to accomplish all these desirable and acceptable goals at once. After all, we have been in office for only a relatively short time and the members would all agree that we have accomplished a good deal, not the least of which is to reduce the unemployment level. I put that forward modestly and I will not repeat it.

The honourable member quoted from my esteemed leader, who even now is serving the province in British Columbia. No effort is too much for him to support the province.

Further, in quoting the former Leader of the Opposition in this regard, the member said it would be responsible for the provision of 22,000 jobs, but Statistics Canada indicates that as a result of the budget of October 24—it did not indicate that; I am interpolating it—in the past month 51,000 new jobs have been provided in this jurisdiction.

If they are going to attribute that to the tax holiday of the member for Muskoka two years ago or to the removal of the sales tax on imported Japanese luxury cars five years ago, it does not make any sense. On the other hand, we attribute it to the initiatives in the budget. We have accomplished more than double the promise of the Premier, and we still have retained the additional \$100 million we feel is essential for the responsible financing of our programs and those we inherited.

Miss Stephenson: Mr. Chairman, on a point of order: Can I ask an important question?

Mr. Chairman: No, but you can make a point of order.

Miss Stephenson: May I make a point? I am concerned because it is my belief the Treasurer intends to heat this entire complex this winter with the hot air produced by the garbage he is burning in this House. I do not believe we need to be subjected to that.

Mr. Chairman: Order. That is not a point of order.

Hon. Mr. Nixon: The honourable member from her own experience has made the mistake of identifying facts with garbage. The facts are what I put before the House.

Miss Stephenson: Unhappily, those facts have nothing to do with the Treasurer's efforts.

Hon. Mr. Nixon: That will remain for the judgement of a jury to which we all are responsible. Will I say the sooner the better? No, I will not say that.

In addition, I am sure the members are aware that the Liberal proposal was tied in a very responsible way to a detailed association with a ceiling on the wages that would be financed in this way, so that it would be subject to a maximum of earnings subject to unemployment insurance provisions.

Miss Stephenson: That amendment could easily—

Hon. Mr. Nixon: But it is not, and the member had plenty of time—hours and hours—to prepare this; in fact, there were weeks, but that is okay.

Under the amendment, it is also possible that a president could pay himself or his family additional money and get a 25 per cent break. There is no attempt to put any sort of cumulative effect on the pay increases. At the end of a year they could fire everybody and either hire them again or hire new ones and get a 25 per cent deduction again.

10 p.m.

I have already indicated that even if it were properly administered in the way that was put out so carefully by the former Leader of the Opposition, it would still be a very expensive program, but would undoubtedly stimulate employment. We chose other very successful ways to stimulate employment. We therefore feel this amendment, while its intent is admirable, is so inadequately drawn that we cannot advise the members of the House to support it and we hope it will not be successful when it is put to the vote of this House.

Mr. Andrewes: If I might make one point very quickly, the Treasurer is correct to remind us, as the press report did, that the proposed \$100-million exemption would, it is anticipated, in the words of the Premier, create 22,000 jobs. I made a rough calculation and that is about \$4,500 per job.

The Treasurer went on to talk about ceilings and so on, but I say he is very fast and loose with his interpretation of the province's economic progress. He can no more accept credit for that as a result of his budget than one might say the judicious operations of governments in the province for the last 42 years have led to that kind of stability.

I take some offence at the Treasurer's attitude towards the creation of jobs as a result of a budgetary policy that will take \$700 million of additional revenue out of the pockets of people in the province when these budget bills are finally imposed upon them, suggesting it has created or helped to create 51,000 additional jobs.

I would be glad, once again, to offer to tidy up the amendment if that is the Treasurer's concern. I am a little astounded the Liberal Party can sit there and suggest to us now that a promise it made to the people of Ontario last April, a commitment that is in writing, can be denied. I have several press releases, several press accounts of the Premier travelling to small businesses, trying on lampshades, visiting wineries,

doing all sorts of things. Now they sit on their rumps and deny that commitment.

Hon. Mr. Nixon: There is no doubt that when I talk about the substantial improvement in employment statistics and the 51,000 new jobs reported by Statistics Canada over the last month, I am not claiming 100 per cent of the credit. I am simply indicating it happened at this time and, compared with what was happening last year during a period of much more rapid growth measured on a percentage basis, we should not downplay the fact the economy is buoyant and productive. The cost-of-living increases have been contained and are steady at about four per cent—in fact, they are dropping a bit.

Interjection.

Hon. Mr. Nixon: I am just stating the facts. The member may call it garbage if he chooses. The other fact is that real growth is better than projected. Revenues from corporation tax are higher than projected and these things look good.

We know there are terrible areas in the economy and we have tried to target those. Agriculture is probably the worst and that is why so much time has been spent in the House, using the initiative and the great abilities of the Minister of Agriculture and Food to bring forward programs that will do something, for once.

Another area is northern Ontario, which has suffered so long from inadequate leadership. We have made a commitment of a \$100-million development fund that must be paid for.

These are attempts to target. The other, to which I have already referred, is youth unemployment, which is fortunately down a bit over two per cent from this time a year ago.

I honestly accept the argument that we are not 100 per cent responsible for these improvements. We are right with the member on that. We also say the concept of the amendment—how can I say otherwise?—is a good one.

The other side of the coin is that we are delighted the spokesman for the official opposition is supporting that concept. We cannot accept it now, but we hope in the future to bring in similar amendments which will stimulate employment. We think an additional \$100 million now is irresponsible when we have substantial payments required, left over from the previous administration, and we talked about that. There are also new programs we are totally responsible for, programs we believe are useful and well accepted.

I certainly acknowledge the point the member has made. We welcome his support. Unfortunately, we cannot support him at this time. However, we are very confident that in the future an amendment similar to this, we trust and hope, will be put before the House by myself or my successor and that the member will be as enthusiastic in its support at that time.

Mr. Harris: I am delighted to enter the discussion on the amendment my colleague has moved. I might have a few comments on some of the remarks the Treasurer has offered in opposition to the amendment. I too have done the calculation of \$4,500 a job, based on the Treasurer's figures that this amendment would cost the Treasury \$100 million. I am quite certain that figure must be right or close, or he would not have given it to us.

I would like to zero in on the 22,000 full-time jobs the Premier indicated in his most recent consultation with the people would be the number this program would create. I would assume that figure is correct and that the \$100 million is based on that figure, assuming the Premier and the Treasurer do consult with one another from time to time. I am sure they do.

It is important to look at this amendment on the basis of the \$4,500 per job. If it created more than 22,000 jobs, then presumably it might cost more than \$100 million. If it did not live up to the Premier's expectations and created 1,000 or 2,000 jobs fewer than 22,000, then it would cost the Treasurer less than \$100 million. Perhaps the Treasurer could give me a little nod; I would like to ascertain those assumptions I am making are correct, and we can ball-park \$4,500 as the cost per job as a result of this amendment.

The Treasurer is shaking his head. Does he disagree with his own figure of \$100 million or the Premier's figure of 22,000?

Hon. Mr. Nixon: If the member is referring to his own amendment and basing the discussion of the jobs and the cost of the jobs on his own amendment, then I cannot agree with his basic premise. We have already indicated there would be ceilings in an amendment we would propose along these lines, and I hope it will be brought forward some time in the future, perhaps in the next budget or the one after. There would be other aspects that are not part of the Conservative alternative tonight. I am not going to nod in agreement with the member in his costing of these provisions.

Mr. Harris: I will carry on with the two figures, and assume neither the Treasurer nor the Premier lied to me or to the people. He said our

amendment would cost \$100 million. I am going to go with that assumption. As well, the Premier told every single citizen of this province that it would create 22,000 jobs, and I have not known him to knowingly mislead the people, although given a little more time in this Legislature, a situation could arise where that might be my viewpoint.

10:10 p.m.

We are talking about \$4,500 per full-time job, and at \$4,500 for a full-time job, presumably we are talking of a person working who was not working. I do not know the social costs of a person who is not working. I would say, many would argue and my friends on the left would argue that it is not enough, whatever that cost is. Whether it is a single person at some \$8,000 or \$9,000 or a family member at possibly \$12,000, \$13,000 or up to \$15,000, that would be the first cost that this government would not have to bear. For \$4,500 it would save, I presume, on average, \$10,000. So they are \$5,500 in pocket, according to the figures of the Treasurer and the Premier, before they start.

Second, once this person is working—at the cost of \$4,500 in forgone tax—he will now presumably be paying income tax to the federal government and to the provincial government. One hopes he will have the ability to purchase more goods so the government can collect more sales tax. He may, if he is not driving back and forth to work and paying the abhorrent gasoline taxes the Treasurer tried to levy on Ontario. Currently, I might add, he is proposing in the bill before us 8.8 cents per litre for gasoline. He has indicated he may do otherwise; we will wait and see whether that develops. On the other hand, the person may be taking public transit, which all generates activity and additional tax revenue.

I do not know what I am up to now, but we are going to forgo an average of \$10,000 in expenses, and perhaps we will pick up \$5,000 in taxes without any multiplier effects. I can never figure out how the economists work out all these multipliers in the things they do, but I am sure a good economist could get this job up to be worth more than he actually collects. As I say, I cannot understand how they do it, but they seem to have the ability to do it.

I have a great deal of difficulty in understanding the Treasurer's comments. I do not think we should get into the semantics of why, whether it is one per cent to the credit of this government and its intentions in Ontario and 99 to the history of the province. The Treasurer might suggest that this is not the correct proportion. I do not think

that is the point. He was talking about some 55,000 jobs.

Mr. Lupusella: The member forgot the New Democratic Party motion.

Mr. Harris: I am sorry. I plan to speak for quite some time, but if the member would like to interject, I do not mind.

I have lost my train of thought there. Where was I?

Mr. Foulds: If the member does not know, we do not know.

Mr. Harris: The 55,000 jobs the Treasurer had indicated had already been created. I am not sure it is particularly relevant why. What we are talking about here is his Premier's campaign promise that 22,000 additional jobs could be created if this type of measure were instituted in a budget. He promised the people of Ontario that, should he ever have the opportunity to form the government, this was what he would bring in with his first budget. This is what he promised.

Mr. Pope: He probably talked about ceilings.

Mr. Harris: I do not recall anything about ceilings. What I recall was the 25 per cent of the salary. I suggest to the Treasurer that it is a pretty slippery slope out there if he believes the people think that because there is some other little amendment he would like to see in this to conform precisely to his understanding of the campaign promise and the fact that he is not willing to have that in his first budget or he is not willing to make the amendment.

We will not insist on two hours' notice or whatever it is in the standing orders. I believe there is something in the standing orders that says, "or as soon as practical." The member for Lincoln indicated that he fully expected the first amendment would be accepted by this Legislature. That is why the second amendment, regrettably, had to be brought forward. We did prefer the first one.

This is precisely the commitment the Premier made to the people of Ontario during the last election. It is this commitment that his Treasurer, presumably with the Premier's consent, has not seen fit to bring forward. That is why we moved it today, on the off chance that it was an oversight. Perhaps the campaign commitment had not been recalled by the Treasurer and the Premier when they put the budget together. However, the Treasurer's reaction indicates it was not an oversight. He knew full well he was breaking faith with the people of this province.

That brings me back to something I have mentioned once before. Whose budget is this? I

have said it before and I say it again: this is not the member for Brant-Oxford-Norfolk I knew for so many years. I suspect, as many suspect, it was a typical Liberal, Trudeau-style campaign promise. It was the type of promise we saw during those federal Liberal years when the strategies were organized by the likes of Coutts, Davey, Grafstein and Kirby; it was the type of campaign where one tells the people what one thinks they want to hear and what sounds good, but once one gets into power, one does whatever one wants.

That is precisely what has happened in Ontario. If it is not those four people, or perhaps one or two others, it is people with a similar viewpoint and similar ideas who say one thing and do another. They follow a philosophy of MacEachen-Trudeau, wrapping as much out of the old economy as they can to get it into the hands of the civil servants and the government, taking it away from the people who can best use the money and put people to work in Ontario. They try to suck as much as they can into the Treasury, recycle it around, hire all their friends and cronies and get them involved in consulting on how to come up with the new programs to give the people back their 15 cents on the dollar.

10:20 p.m.

Fifteen cents is the figure I have used most often when I have talked about this budget. Actually, I have never had it disputed. I am surprised. At some time, the Treasurer may take a stab. Fifteen cents is the figure I have used. I honestly confess I do not know whether it is 15 cents; it might be five cents or it might be 25 cents.

On average, however, when a government grabs a buck, takes the cost of collecting it, takes in all the time and money it has taken to keep this Legislature going until 10:15 or 10:30 at night to debate it, hires the consultants and pays them to come up with a program to give it back to the people and then delivers that program, 15 cents is not an unreasonable estimate of how much actually gets back into the hands of the people in the form of a subsidy, a tax break, a program, a handout or some form of incentive that the Treasurer feels is better to keep this economy going than leaving it there and having the people who do know how to create jobs and do know how to drive this economy use the money.

At some point, if not on this bill then perhaps when I speak on the others, I may refer to this 15 cents again. The Treasurer may wish to comment that he has information that it is more than that. I know it is a tough figure to pinpoint.

I was having a pizza and discussing the budget with several of the boys who own Cortina Pizza in North Bay. It is licensed. They are three young, very hardworking, aggressive and fine, upstanding citizens who have started a business in North Bay. They have beer, wine and the best pizza one might ever imagine; certainly it is far better pizza than I have been able to find down here in Toronto.

Mr. Pope: What was the name again?

Mr. Harris: It is Cortina's. While I was there I was having some pizza and we were discussing the budget. We were discussing what this small business thought of a government whose leader had promised that, if small business created new jobs, money would be put back into its hands by way of a deduction of 25 per cent of the salary of each employee. They were not happy to find that they had been misled in that way.

Hon. Mr. Nixon: A 99-cent pizza is tax-free.

Mr. Harris: It is not tax-free yet, is it? Not until the law comes into effect.

What we have here is one more example of a broken promise. We have one more example of what in my opinion is stupid economic theory that says to grab more money and, for some reason or other, that government can handle it better than that individual for the benefit of all the community.

Hon. Mr. Bradley: It must be Jim Coutts.

Mr. Harris: I mentioned Coutts. There were a few others. He is on tonight. That is what led to the disaster, in part. I admit there were other factors in this country, and this province was a part of that.

I say to the Treasurer and all members of the government party in this Legislature, whose leader and all of them campaigned and told the small business people in their ridings that, should they be in the government, this is what they would do, that they should reconsider the ill-founded position the Treasurer has stated on their behalf that they are not going to do this now.

Hon. Mr. Nixon: At this time.

Mr. Harris: If the government wants to live up to all its promises, it had better consider how much time it has. It has an opportunity right now to live up to the promise. It is not certain it will have all the opportunities in the future that it thinks it may have to live up to its promises.

Hon. Mr. Kerrio: I think we will.

Mr. Harris: I do not believe that—

Interjections.

Mr. Chairman: Order.

Hon. Mr. Nixon: I think this would be an appropriate time for the committee to rise and report.

Mr. Harris: Agreed.

On motion by Hon. Mr. Nixon, the committee of the whole House reported progress.

Mr. Speaker: The question that this House do now adjourn is deemed to have been made.

Pursuant to standing order 28, The member for Cochrane South (Mr. Pope) has given notice of dissatisfaction with the answer to a question given by the Minister of Health (Mr. Elston). The member will have up to five minutes and the minister will have up to five minutes to respond.

Mr. Shymko: Mr. Speaker, on a point of privilege—

Mr. Speaker: Order. I do not think I can accept a point of privilege because I have just said that a motion was deemed to have been made. I suggest the honourable member keep that until the next sitting.

Mr. Shymko: Am I out of order?

Mr. Wildman: Yes, the member is out of order.

Mr. Speaker: Order. A motion has been deemed to have been made.

Mr. Shymko: All right. You are the Speaker.

Mr. Pope: The clock—

Interjections.

Mr. Speaker: I called for the member for Cochrane South.

Mr. Pope: Mr. Speaker, you made a ruling with respect to that point of order and it took a minute of the time during which I wanted to discuss this very important matter.

Mr. Speaker: I am in the Christmas mood. I will add a minute to what we have.

MEDICAL TRANSPORTATION

Mr. Pope: On November 25, the minister announced in the Legislature that his government was moving on a number of promises made by the previous government and said his government was now going to act. He indicated at that time a northern health travel grant program to provide financial assistance for northerners.

He also had printed a document called Health Travel Grants for Northern Ontario Residents. I have read this document very carefully and I have read his statement very carefully. I also read his statement last week very carefully. Nowhere has he told the residents of northern Ontario that they

have to pay, under his system, the first \$75 of the travel costs.

10:30 p.m.

In case there is any doubt about this in the minds of the third party or in the minds of the government members, on November 27, in the standing committee on general government, this exchange took place:

"Mr. Pope: I have a question about the grant levels. Why are the grants ranging from \$125 to \$350 and not for the full return air fare?

"Hon. Mr. Elston: I will just go through how we worked out that schedule. We have provided a system of grants based on the range of distances, and it is based on an economy air fare from the site to wherever the referral takes place. A \$75 amount is taken from that. This equates the normal costs associated with driving 300 kilometres. That is the basis on which the amounts were calculated."

It was not until November 27 that we extracted from this minister the truth about this program, and that was that \$75 was to be paid by the residents of northern Ontario under his travel grant system. It does not matter. He may think his program is better than ours. Fair ball, and we shall argue that.

The question I asked today was why were the northern Ontario residents not told and why are they still not being told they have to pay \$75 up front on air fare. The minister knows as well as I do that that constitutes a deterrent fee that will prevent many northerners from using this program.

Lorne Henderson used to call it the "detergent fee," but it will affect northern Ontario residents. Some of them will not be able to afford the \$75, and that will have a dramatic impact on the availability of the northern health travel program to the residents of northern Ontario. I have no wish to pursue it any further than this. Simply put, why in all the speeches and documentation being sent around the northern part of this province is there not one word that northerners have to pay \$75? Why are they not being told that it is up front, so they will know and can plan?

I am not doing this just for political posturing. There is a Mrs. Dinsmore in Thunder Bay who talked to the member for Fort William (Mr. Hennessy) today. Her child, a four-year-old boy, Robbie Dinsmore, had heart surgery at the Hospital for Sick Children in July 1985 and has to come to Toronto to the hospital for a checkup on January 7. This woman and her son cannot afford the \$75. We discussed this in estimates. The minister has no answer for those people, other

than to refer them to the welfare agencies and the volunteer agencies in that particular community.

That is not good enough. That is not a program that is going to be universally available to people of all economic strata in northern Ontario. The simple answer I want to get from the minister is why he would put this deterrent fee, this user fee, into this program. At least for the first flight, he could allow for the full return air fare to be paid.

There are other elements to the program we are going to discuss, but that is a very important problem northern Ontario residents and northern Ontario members are faced with.

Hon. Mr. Elston: I appreciate the points being made by the honourable gentleman. He will recall, as the other members will, that during our discussions we have been looking at ways of introducing these travel assistance programs to the people of northern Ontario for some time. We have had to come up with a grant program which reflects a reasonable contribution by this government for the travel of people out of northern Ontario to southern destinations, or from northern locations to northern destinations, to provide for some relief from those expenses that many people have incurred fully out of their own pockets up until now.

The indications are, as we look at how we structured our grants, that there very well may be situations where people will be fully covered by the grant system in place. We are currently negotiating a number of arrangements with air carriers, for instance, and doing a number of things which we are hoping will displace any of the deterrent fees or "detergent fees," whichever might be applicable. It will, I hope, come out in the wash.

In any event, as we implement this system, I want again to elicit the help of the members from northern Ontario and others to bring to my attention situations such as the Dinsmore case. I would appreciate hearing about these instances. As we implement this program, we are taking every step possible to try to eliminate the difficulties people will feel and are still experiencing with respect to paying for travel. What I described in the standing committee on general government was a method by which we set a series of grant scales in place. What we are doing is watching very carefully how the impact of those is going to be felt in northern Ontario.

In the early stages of the implementation of this program, we will be covering travel that was never covered before. I must remind the members that where there are emergency situations or transfers from hospital to hospital, those cases

always are, have been and will continue to be fully covered. In emergency situations, there will be no want of transportation dollars to get those people to medically necessary treatment.

I thank the honourable member for bringing the concern he has expressed to my attention, but as we implement this program and go further to provide service for these people, we will be watching to ensure we are not deterring people from travel. That is not the desire or the point of the program. We are trying to get people out of northern Ontario communities to medically necessary sites, and we do not want to disadvantage them.

In every program, and this one is no exception, there are areas in which we have to draw lines of demarcation to try to set up guidelines. We have done that. We are looking at those areas of demarcation to figure out how we might further respond to the needs of the people. We are looking at how these programs are going to impact on the north.

As we have developed this program to its current stage, the honourable member, who comes from a northern community, and other northern members have provided valuable input. We welcome their continued vigilance to ensure that we deal with the needs of the people in the north.

I thank the honourable member for the question. Perhaps if we could share the information on Mrs. Dinsmore's child, Robbie, there may be something we can look at to try to assist her. Perhaps the member for Fort William will provide me with some details on that. I will ask the honourable members to keep their attention trained on how the program is introduced, how it is responding and how we are responding to the needs of communities there.

I also encourage the members to advise me on how the travel of specialists is working so we can reach some people in more remote communities in northern Ontario. We hope to be able to reduce the amount of travel which is necessary by providing incentives and opportunities for specialists to go into various communities which might very well be under the 300-kilometre limit at which this program kicks in.

I want to thank the honourable members and again ask them for their continued help in making sure this program is successful in northern Ontario.

Mr. Speaker: The member for Ottawa West (Mr. Baetz) has also given notice of his dissatisfaction with the answer to his question given by the Minister of Natural Resources. The

member for Ottawa West has up to five minutes and the minister may have the same.

GOVERNMENT ADVERTISING

Mr. Baetz: We are here because the minister gave what can only be interpreted as a very flippant and facetious response to a sensible question this afternoon. This is a very serious matter. There is a profound difference, and the minister knows there is a big difference, between the kind of a self-congratulatory advertising paid for by the taxpayers and some honest-to-God information giving.

The minister and his colleagues have talked about this difference for many years. This afternoon, I felt it reflected a very high degree of arrogance which no doubt has been instilled in the minister by Senator Keith Davey and his cohorts, which was the trademark of his kissing cousins in Ottawa and the reason the Canadian public eventually kicked them into oblivion.

I would only suggest this kind of arrogance is not becoming to a very new minority government. If that is the approach it plans to take in answering questions in this House, I am going to be on the government's tail every time. There will be many more late shows.

I simply asked the minister and I will ask him again and again: what public service does he feel he provided by the advertisement under the picture of old curly locks himself and at what price to the taxpayer? Second, how many more of these silly advertisements does he intend to place and pay for at the taxpayers' expense?

10:40 p.m.

I suggest that was a reasonable question. His claim is that his advertisement provided a public service by providing valuable public information about our forests to the readers of the Ottawa Citizen. I can tell the minister that to the the highly selective and the highly informed readers of the Ottawa Citizen, this is nothing new at all.

His observation which appears in this add and for which the taxpayers had to pay is that: "Every tree lost to fire or insects today is a loss to tomorrow's forest." The people of Ottawa have understood this profundity of his for a long time; we do not need to be paying for an advertisement to find this out.

What we do not know and what he chose not to tell us in his advertisement is exactly what he is going to do to stop the plague of eastern Ontario forests by the gypsy moth, which is now destroying our forest. If he were to spend some money on an advertisement to tell us precisely what he has done or what he plans to do to solve

that problem, it might have been money well spent.

I want to say again that I thought the question asked this afternoon was a sensible one. What public service does the minister think this kind of advertising provides? He knows the difference between this and public information because it has been documented many times by his colleagues. How long is he going to carry this on? What does this ad cost him? How many more ads is he going to place? How much are they going to cost him? For that, I am going to insist tonight, in estimates, down the line, day after day, that we find that answer. He is not going to carry on with this kind of advertising which he knows, I know and we all know is simply self-congratulatory and is a waste of the taxpayers' money.

Hon. Mr. Kerrio: I am very pleased this member is going to be on my tail at the estimates and everywhere asking questions because that will stop the very sensible questions from being put. I hope he does continue raising such ridiculous comments as he has made tonight. It is very important that what he has neglected to say is this ad was put in a section in our newspaper, here at least, that related to a report on the forest industry. There were many thousands of hours of input by the ministry over many pages in these newspapers sharing the concerns of every part of the industry with the struggle to supply lumber, the struggle to provide pulpwood and the struggle to deal with a tremendous amount of competition from all over the world.

This ad points out that this minister has a real concern about that ministry. I am going to address myself to that ministry in every way I can. This ad is a very cheap way to touch the public out there because I have travelled all across this province at greater expense and taking greater time on my part to take this message to every corner of this province to show them this new minister has the kind of will to bring the forest back into production; something that government failed to do over the last 42 years, that is the problem he is having.

I want to tell the honourable member something else that is very important. From my ministry I have cut \$290,000 worth of advertising that those people were going to put forward if they had been lucky enough to be sitting over here where we are. The general public saw through their phoney advertising. This advertising has a real message. It has some depth. It is telling what we are going to do, it identifies a ministry and an industry that provides so many

jobs in this great province of ours. All of those people in northern Ontario are going to know that this ministry is now in good hands, they are going to be told about it and they are going to share the responsibility as they never have before.

When the honourable member decided to make his point that I should listen to him and he would acknowledge and approve some advertisements he thinks are okay, he has another think coming. We are the government now and they are not. We are going to make the decisions until the public decides differently.

The member brought the feds into the picture. They are causing enough damage in Ottawa without being dragged into this jurisdiction. They are closing down one of the finest aircraft companies ever built in this province and trying to lay the blame on everyone else. The federal leader could not even run his company. He had to pack his little bag and run, and now he is trying to tell us how to run this great nation of ours. Do not bring the feds down here because they do not know what they are doing.

Next time around the public of this great nation is going to turf him out. He can go back to New York and tell the people there, "I do not know why Americans would ever buy Canadian because they are inefficient and they do not know how to run a business." That is what Mulroney told the American people in New York City. The member should not tell us about his kissing cousins in Ottawa who, if left there long enough, will ruin this great country.

We are going to have to send out the message that Ontario is in good shape and is going to be better than it has ever been in the past 42 years. The member can put that in his little pipe and smoke it while he is going home.

Mr. Shymko: Mr. Speaker, can I rise on a point of order?

Mr. Speaker: No.

Mr. Shymko: Mr. Speaker, can you clarify the standing order that does not allow me to ask for unanimous consent of the House? Is the House in fact sitting?

Mr. Speaker: I would like the member to read carefully subsections 28(b) and 28(f) of the standing orders. I think they will explain that there is before the House a motion to adjourn that is deemed to have been made, and there being no further matter to debate I deem the motion to adjourn to be carried.

The House adjourned at 10:47 p.m.

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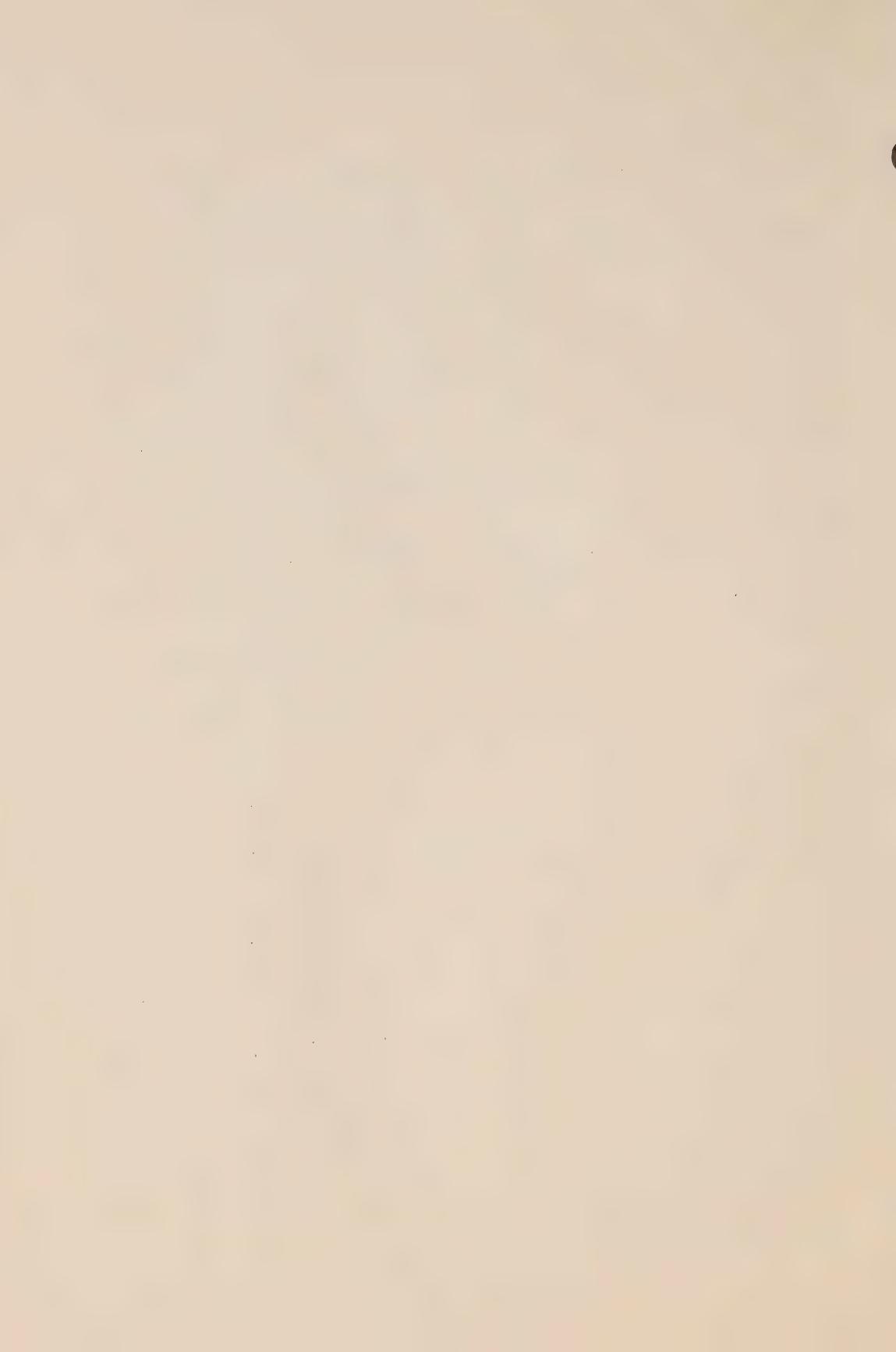
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No. 67

Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Thursday, December 12, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, December 12, 1985

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

Mr. Speaker: The Minister of Industry, Trade and Technology.

Mr. Timbrell: On a point of order, Mr. Speaker: We do not have the minister's statement; at least I do not, as House leader.

Hon. Mr. O'Neil: I am sorry about that. They are being delivered.

Mr. Timbrell: Today?

Hon. Mr. O'Neil: Yes. Do the members have their copies?

Mr. Speaker: Do the members have their copies?

Hon. Mr. O'Neil: It is my understanding the copies will be delivered.

TOYOTA PLANT

Hon. Mr. O'Neil: I have the great pleasure of bringing to the Legislature this afternoon some important news concerning automotive investment in Ontario.

This morning, the Premier (Mr. Peterson), accompanied by the Minister of Regional Industrial Expansion and Dr. Toyoda, president of Toyota Motor Corp., announced that the Toyota Motor Corp. will establish an automobile production facility at Cambridge, Ontario.

Toyota, the largest car manufacturer in Japan and third largest in the world, will go into production in 1988.

The investment by Toyota is estimated at \$400 million over a four-year period to build 1.6-litre Corolla-type cars.

As members of this House know, no industry is more important to the economic prosperity of this province than automotive and auto parts manufacturing. This government is committed to a policy of encouraging foreign companies who sell in Canada to produce here and hire Canadians. We will continue to pursue this kind of investment with vigour and determination.

Ontario will support this project by providing a \$35-million loan, interest free for 14 years, with principal to be repaid in seven equal annual instalments. Toyota will earn its interest-free

incentive annually by achieving predetermined annual production level targets.

The factory will employ approximately 1,000 people when the 50,000-unit production level is reached. In addition to the direct employment inside the plant, many other sectors of the economy will benefit, including auto parts manufacturing, construction, equipment supply, transportation services and sales.

I know all members of this House will join with me in welcoming this important decision by Toyota. It has tremendous economic implications not only for the Cambridge area but for all the citizens of this province and for all Canadians.

I am particularly pleased that Toyota has come to Ontario, because, as members of this House know, the government has aggressively pursued this investment for Ontario. In addition, the Ministry of Skills Development will be providing a \$15-million grant to the company for skills training for workers at this facility. It is an investment by Ontario in the skills development of our work force.

Along with the regional municipality of Waterloo and the city of Cambridge, we will ensure that the necessary infrastructure, such as road access, water and sewage service, will be sufficient for the plant.

Although Cambridge was finally chosen by Toyota, approximately 40 other municipalities worked extremely hard in providing comprehensive information packages on their respective communities. They are to be congratulated on their efforts throughout an extremely extensive site-selection process.

Toyota's decision reflects its confidence in this province. It was made for sound business reasons based on Ontario's competitiveness and initiative.

Mr. Barlow: On a point of privilege, Mr. Speaker: I would join the minister in welcoming Toyota to the city of Cambridge and to the regional municipality of Waterloo. It was a great thrill for me and for city officials to attend the official announcement at 11 o'clock this morning.

FRENCH-LANGUAGE EDUCATION

Hon. Mr. Conway: On July 12 this year, five months ago to this day, I announced to this House that Bill 28, a bill introduced by the former Minister of Education and providing for the governance of French-language schools and classes, was being withdrawn. Je faisais également remarquer à la même occasion que le présent gouvernement prenait un engagement ferme en faveur de la gestion de ces écoles et de ces classes par des conseils scolaires élus par la population francophone.

Therefore, I am pleased to announce that later today I shall introduce a new bill ensuring guaranteed representation to the French-language population on school boards operating French-language instructional units and exclusive authority over those schools and classes. In areas where English-speaking pupils are a minority of the student population, parallel provisions are made for English-language governance of education. I am confident this proposed legislation provides solutions that are sensitive to both regional diversity and local situations.

Since my statement to the House on July 12, a work group composed of ministry officials and representatives of five French-language provincial associations has met several times to contribute to our deliberations before the introduction of this new legislation. This work group recommended that the new legislation contain both interim and long-term measures. The interim measures will take effect from January 1, 1987, until November 1988, at which time the long-term measures will come into force with the 1988 school board elections.

Working proposals were drafted and presented at two information and consultation meetings held in November with representatives of groups, provincial associations and school boards affected by the proposed legislation. The legislation I am introducing this afternoon is the result of an extensive consultative process. It contains the following key elements:

French-language advisory committees or English-language advisory committees will be established where boards of education and Roman Catholic separate school boards purchase minority-language instruction. The strengthened advisory committees will come into effect in January 1987.

2:10 p.m.

French-language educational councils will be established as an interim measure on all boards operating French-language instructional units. They will come into force in January 1987 and

remain in place until the regular elections of 1988. The French-language education councils are the forerunners of the French- or English-language sections. Trustees holding the necessary qualifications and elected at the 1985 regular elections may become members of the French- or English-language education council, which will have exclusive jurisdiction over French- or English-language schools and classes.

As a long-term measure taking effect at the 1988 regular elections, all boards will be required to have a French-language section if they operate a French-language instructional unit. Members of a French-language section will have exclusive jurisdiction over French-language schools and classes. Trustee representation on a French- or English-language section will be based on the ratio of French- or English-language pupils to the total pupil population.

I would point out that there is still room for further discussion of these measures, since I am proposing that, after second reading, the bill be sent to committee for examination and debate.

In Metropolitan Toronto there exists a unique two-tier system of educational governance. Recognizing this fact, we believe that special provision may be required for the governance of French-language schools and classes in this municipality. To this end, we have held discussions with those who will be affected by this legislation. We intend to continue these discussions during the coming weeks.

At a later stage, therefore, I may propose some amendments to the bill designed to incorporate a feasible set of governance arrangements for Metropolitan Toronto that will be acceptable to both the francophone community and the affected school boards.

When I announced my intention to introduce new governance legislation five months ago, I also promised to consider the creation of a homogeneous French-language school board in the regional municipality of Ottawa-Carleton. I have given this matter careful consideration. Today I am pleased to announce that this government is committed to the creation of such a board in Ottawa-Carleton in 1988.

Cette initiative, réclamée depuis longtemps par la collectivité francophone, s'écarte beaucoup de la politique suivie par l'ancien gouvernement. D'après moi, cette mesure s'impose en raison de la composition de la population d'Ottawa-Carleton et de l'appui fourni par cette dernière.

Such a major step must be undertaken with careful planning and attention paid to several substantial practical concerns. For example, we must decide upon: the structure of the homogeneous French-language school board in Ottawa-Carleton; how the electors of such a board would be identified; how the trustees of such a board would be distributed; how such a board would be financed; what provisions regarding school accommodation are required; how pupil transportation would be arranged; and what range of programs, including religious studies, would be offered by the board.

As well, we must assess the impact the creation of such a homogeneous French-language board will have on the four existing school boards in the region of Ottawa-Carleton, and we must proceed with this implementation by consulting all of the constituent groups affected by this change.

Therefore, I am announcing today the creation of a special committee to address these practical considerations, undertake consultation and recommend to this government a plan to put a homogeneous French-language school board in place in Ottawa-Carleton in 1988. This committee will begin work early in 1986 and will report to me within six months. After that date the next steps can be taken to ensure that this policy takes effect at the 1988 school board elections.

In conclusion, I would like to stress that we have worked diligently to introduce legislation that fulfils the requirements of the June 1984 ruling of the Ontario Court of Appeal.

Ce projet traduit ma volonté personnelle, et celle du gouvernement, de mettre en place des mécanismes pour la gestion de l'éducation en langues minoritaires dans la province.

ST. CLAIR RIVER

Hon. Mr. Bradley: I would like to bring members up to date on the efforts of the Ministry of the Environment to monitor and abate St. Clair River pollution.

Shortly after our government took office last summer, problems came to light. In response, my ministry expanded one drinking water testing program in that region and initiated two more. By early summer, my ministry had already put in place a comprehensive drinking water surveillance program at five St. Clair River area water treatment plants.

The program routinely looks for a total of 109 possible contaminants, including pesticides, inorganic compounds and 64 organic compounds. Two more water treatment plants were added to

the program and the frequency of testing was increased following discovery of dioxin in the river near the Dow Chemical plant. The resulting scientific data indicate drinking water from these supplies meets all health related standards, whether these are Ontario drinking water objectives or guidelines set by the World Health Organization, the United States Environmental Protection Agency or Health and Welfare Canada.

In addition, as a direct result of the August 1985 Dow Chemical spill, a special survey was initiated. Eight St. Clair River area water treatment plants were monitored for perchloroethylene on a daily basis from the end of August until the end of September. During this monitoring, the highest level of perchloroethylene detected in treated drinking water was four parts per billion. The World Health Organization's guideline for perchloroethylene in treated drinking water is 10 parts per billion.

Perchloroethylene monitoring was reinstated on a twice-daily basis at the drinking water treatment plant intakes for Walpole Island and Wallaceburg on November 14, 1985, when the cleanup of the perchloroethylene and chemical-laden sediments from the river bed was initiated. To date, perchloroethylene has not been detected in any sample.

Our monitoring indicates perchloroethylene levels have steadily decreased since the spill last August and are now below the detection limit of one part per billion. Last summer, following a report that oily material at the bottom of the St. Clair River contained dioxins, my ministry initiated dioxin testing at four St. Clair area water treatment plants, including Sarnia, Wallaceburg, Windsor and Amherstburg.

No dioxins or furans in any form were detected in any treated water samples. One type of dioxin was found in raw water in Amherstburg and two forms were found in Windsor. The most toxic form of dioxin, 2,3,7,8-TCDD, was not detected in any sample. On November 6, this dioxin sampling program was stepped up to provide weekly sampling at seven St. Clair area water treatment plants: Sarnia, Walpole Island, Wallaceburg, Amherstburg, Windsor, Mitchell Bay and Stoney Point. To date, no further dioxins have been detected.

Conventional water treatment appears to remove dioxins from raw water due to that chemical's tendency to cling to particles which are routinely filtered out.

I have several times promised this House and the people of Ontario that the Ministry of the

Environment would release all the news, good and bad. Today I am pleased to table this prompt, complete and dispassionate report. It is evidence my ministry is now meeting that information challenge.

Let me also outline briefly some of my ministry's efforts to come to grips with the ongoing pollution problems of the St. Clair River and adjacent waterways.

The upper Great Lakes connecting channel study, in co-operation with US and federal government authorities, is currently investigating all St. Clair River pollution sources. This group is also investigating the historical industrial practice of deep-well disposal and cavern storage and their possible effect on the St. Clair River.

My ministry's St. Clair River effluent monitoring program will look at the types and nature of effluent discharged into the St. Clair River from the Chemical Valley area. Past industrial disposal practices are also under close scrutiny.

2:20 p.m.

To ensure compliance with the new government's environmental commitment, we are developing a regulation to require industries along the St. Clair River to monitor, record and report to the ministry on detailed sampling and analysis for a broad range of contaminants. This will be the first use of a regulatory power which has been available since 1984.

Under the ministry's sport fish contaminants surveillance program, several hundred fish from Lake St. Clair and southern Lake Huron will continue to be analysed for contaminants to determine consumption guidelines.

Additionally, our Sarnia office is being expanded and reorganized to reflect the concern and environmental care this government feels is necessary in that area. This reorganization will include the new position of regional manager, who will have a staff of 17 scientists, technicians and support staff to monitor carefully industry, farmers and municipalities in Lambton county.

A review of all certificates of approval granted to industries in the Chemical Valley area is now under way. Reduced discharges into the river will be mandated wherever they are found to be necessary.

I am confident we are gaining a firm grasp of the St. Clair River situation, both in understanding the immediate problems and setting out ground rules that will ensure this beautiful waterway's future health. I pledge our government will do whatever it takes to accomplish this.

ADDICTION PROGRAMS

Hon. Mr. Elston: The growing incidence of alcohol and drug abuse in society is an issue requiring its own particular response from our health care system. Here in Ontario, it is estimated that approximately three per cent of the population suffers from alcoholism. That means more than 200,000 people are addicted. An additional three per cent have alcohol consumption patterns that place them at risk.

My ministry is currently funding 66 community-based alcohol and drug addiction programs throughout the province. Our total funding for these programs now amounts to \$9.9 million. It has been a concern of mine that the method of funding for community-based addiction programs in the past has created a discrepancy in the kinds of insured services available to people.

Community addiction services funded by the ministry have been receiving program funding only. Costs for room and board in community programs offering residential care have not been covered. The programs therefore have been forced to charge fees to clients using these services. On the other hand, patients admitted to hospitals in Ontario for alcohol-related problems have been able to receive residential care as an insured benefit of the Ontario health insurance plan.

Therefore, I am announcing that, effective January 1, the Ministry of Health will pay 100 per cent of the residential costs of four existing and four new community-based alcohol and drug addiction programs in Ontario. Funding for these eight residences is expected to assist as many as 1,800 people who will be staying at these facilities each year. The residential addiction programs will be located in Ottawa, two in Toronto, Timmins, North Bay, Sudbury, Hearst and Thamesville.

Our government is committing \$2.8 million a year in funds to support this new direction in care. An additional \$1.5 million will also be provided for the startup of 13 new community-based addiction programs.

This represents more than a 43 per cent increase in ministry funding for community-based addiction programs, from \$9.9 million to \$14.2 million. As a result of the funding increase, the total number of community-based addiction programs operational in this province will be 83.

I expect this new funding increase will help us to achieve a more effective balance between the addiction programs offered within the hospital or

institutional sector and those generated and sponsored by community-based groups and organizations.

I am confident our new policy direction will help to promote access to community-based addiction services and that it will reflect the growing body of research evidence that attests to the effectiveness of these community-based programs.

Finally, this funding support of residential care clearly shows our government's commitment to expand community-based programs in this province and that we are determined to act on that commitment.

ETHYL CARBAMATE GUIDELINES

Hon. Mr. Kwinter: On Monday, December 9, 1985, in a statement to the House, I advised members of new guidelines established by the federal government relating to levels of ethyl carbamate in alcoholic beverages.

Yesterday, officials from my ministry and the Liquor Control Board of Ontario met with representatives from the Department of National Health and Welfare to clarify the federal government guidelines. Based upon that meeting, I am now satisfied that the federal guidelines for ethyl carbamate levels in alcoholic beverages are standards to which Ontario must legally adhere.

These guidelines are as follows: Table wines—30 parts per billion; fortified wines—sherries and ports—100 parts per billion; distilled spirits—150 parts per billion; fruit brandies and liqueurs—400 parts per billion. I understand these levels are based on consumption over a lifetime.

Notwithstanding these new and more stringent guidelines, I feel comfortable in assuring the public, following the meeting yesterday, that the consumption of products below the interim level of 500 parts per billion established on November 7, 1985, does not constitute an immediate health concern.

We have come to an understanding with the federal government that, henceforth, close co-operation and consultation between provincial and federal officials will be put in place. The first priority is now to ensure that testing procedures are accurate and for the public to have full confidence in our testing methods.

The new federal guidelines require more refined testing to detect ethyl carbamate at the low levels set out in these guidelines. To ensure the accuracy of LCBO testing, we have agreed that the federal government will validate the LCBO's method of testing for ethyl carbamate in

alcoholic beverages. Once the LCBO methods are validated, it will once again test products.

Under our agreement, the federal government will confirm LCBO test results at the request of the LCBO. The tests conducted by the federal government will conclusively determine whether a product will be removed from the shelf.

It is my understanding that within six months all products listed by the LCBO will be tested, based on the new federal guidelines, using the validated testing procedures. From our experience to date, we have been able to test about 1,000 items since November 7, 1985. The LCBO lists about 3,000 items. Therefore, a six-month time frame appears to be reasonable to complete comprehensive testing of LCBO products.

I want to stress again that, based on information I have received, there is no immediate health concern.

As members are aware, on November 7, 1985, I announced an interim maximum level of 500 parts per billion for ethyl carbamate in alcoholic beverages as a temporary measure. This was based on advice from medical authorities. Because of a lack of available research data on the effect of ethyl carbamate in human beings, we felt this was a cautious and conservative level. Our interest at the time was for public safety until a properly researched level was set.

In this respect, keeping in mind the absence of research data available, I believe we took the appropriate and necessary action—action that has made Ontario the first jurisdiction to come to grips with this problem.

ORAL QUESTIONS

BILLING NUMBER

Mr. Pope: My question is to the Minister of Health. Can he confirm to the members of this Legislature his statement, made in the standing committee on general government yesterday, that on July 7 of this year he and the government issued an Ontario health insurance plan number to Dr. Henry Morgentaler?

Hon. Mr. Elston: There was, in fact, a billing number issued to Dr. Morgentaler.

Mr. Pope: Can the minister indicate to the members of the House how many payments have been made since that date to Dr. Morgentaler, to what addresses the payments were sent and whether any claims were disallowed by OHIP?

Hon. Mr. Elston: Those were the questions the honourable gentleman asked yesterday. We are in the process of looking at that information now.

Mr. Pope: Can the minister indicate to the members of this House whether this was a cabinet decision and whether cabinet approved of the decision or was informed of the decision? Can he table all the documents connected with this decision?

2:30 p.m.

Hon. Mr. Elston: I am not sure about the tabling of all the documents. I do not know what documents are there. The member asked me yesterday in estimates to review the documents and I am currently doing that. I can tell the honourable gentleman that the decision to issue the billing number was done as a matter of course through the administrative operations of the Ministry of Health.

ETHYL CARBAMATE GUIDELINES

Mr. Partington: My question is for the Minister of Consumer and Commercial Relations. After warning the people of Ontario this past week about the hazards of drinking wine, the minister now has come before the House with the statement that there is no immediate health hazard with respect to drinking wine.

Will the Minister of Consumer and Commercial Relations assure this House he will not make any more unfounded and careless statements that are damaging to 16,000 farmers and winery workers who depend on the Ontario wine sector for their livelihood, jeopardizing their lives and those of their families and creating anxiety in the public wine consumer?

Hon. Mr. Kwinter: I find the honourable member's question absolutely astounding. There is no question whatsoever that ethyl carbamate is a known carcinogen. There is no question that the products removed to date have contained ethyl carbamate. I can tell the member that when I made that statement, I was awaiting clarification from the federal government, which has jurisdiction.

To tell the member something, I would rather be concerned for the consumers of Ontario and their health than for a group that has a vested interest in this. I am not trying to do anything to their industry, but my first responsibility is to the consumer.

Mr. Partington: This minister is something of a ham, not a salami.

Does the minister understand the impact of his off-the-cuff remarks on consumer buying patterns and on the wine industry? Will he assure this House that he will exercise more caution in the future when making public comments?

Hon. Mr. Kwinter: Does the member realize that for the past five years, consumers in this province have been consuming products that were known to the administration under his government?

Mr. Swart: My supplementary question is in response to the minister's answer to the first question. Now that the minister recognizes the legality and obviously the validity—he did not know it—of the new limits that have been set, how can he possibly justify leaving on the shelves for periods of up to six months, as he apparently intends to do, wines that may contain 20 or 30 times the amount of ethyl carbamate now permitted by the federal government?

Hon. Mr. Kwinter: It is exactly that question that has caused a dilemma for the past couple of days. I want to assure all members of this House that the problem with this wine is long-term. In the short term, there is no immediate risk. I am satisfied that at the level of 500 parts per billion, we have taken off the products that are of greatest risk. As soon as we identify the others, we will remove them.

Mr. Runciman: This minister is more interested in the six o'clock news than in the consumers of this province. Two days ago the minister went out in the hall and urged consumers to refrain from wine purchases. He makes a statement today saying a six-month time frame appears to be reasonable. If he is genuinely concerned about consumers in this province, will he not ensure that sufficient manpower and funds are directed towards accomplishing the testing necessary to clear the air and remove the pall he has cast over the Ontario wine industry?

Hon. Mr. Kwinter: As usual, the member has started off without knowing the facts.

Prior to Monday, the level that was set in this province was set by my ministry at 500 parts per billion. The levels that have been causing the problems to the industry and the people, which we are having difficulty determining, were set by the federal government on Monday. It is their problem. They have the jurisdiction and it is their responsibility.

DARLINGTON NUCLEAR PLANT

Mr. Rae: I have a question for the Premier about the policy of the Liberal government with respect to the Darlington nuclear station. I would like to ask the Premier whether he is of the view that the new regulations on acid gas emissions, which we understand have now been approved by cabinet and will be announced very shortly,

should have any impact on the government's decision with respect to Darlington.

Hon. Mr. Peterson: Let me say that the Darlington report has not been discussed by cabinet, and I am not sure when it will be. When that comes about, we will take all those matters into consideration.

Mr. Rae: That was terrific.

The Premier will no doubt know, because he has at least, I am sure, seen a summary of the report, that the report of the select committee on energy with respect to Darlington says there is no question that from the point of view of electrical capacity, we do not need Darlington. The report says, quite in distinct contradiction to the Minister of Energy (Mr. Kerrio), that we do not need Darlington to reduce acid gas emissions, and there was a marginal question in terms of reduction of cost, which is highly argumentative in a field in which experts will be conflicting for many years to come.

I would like specifically to ask the Premier, since we are talking about expenditures in the billions of dollars, whether he can give us the assurance that the policy of the Liberal Party, which up until the election and, indeed, up until the formation of the government was opposed to the construction of Darlington, is still, on balance, opposed to proceeding full speed ahead with a project that the select committee itself said is not going to be necessary until the year 2000.

Hon. Mr. Peterson: If the member will track back to what I have said about Darlington over the past many years, I think the sequence would go more like this. I was against starting Darlington; there is no question about it. We were against it and we discussed it during the campaign. The member will recall that I said I would never have built Darlington, but it would have to be re-examined in the light of the commitment that had been made. That is exactly what we have done. We turned it over to a committee of this House for its advice and we now have that report. I can assure the member that cabinet will be discussing that with all the attendant considerations, including acid gas emissions.

Mr. Andrewes: I appreciate that cabinet in all likelihood has not had an opportunity to review this document, and it is a very detailed document with some very detailed recommendations. Can the Premier explain the apparent contradiction between his statement about cabinet not having had an opportunity to review the document and the minister's statement about Darlington need-

ing to be completed to meet those acid gas emission restrictions?

Hon. Mr. Peterson: We have a number of points of view, as the honourable member knows. Ministers look at things. When the problem goes to cabinet, it becomes government policy. Surely the member is aware of that. There is no big mystery in that regard. All the ministers will share their various views at the cabinet discussion when that comes about. Then we will tell the member what the government's policy is.

2:40 p.m.

Mr. Rae: Can the Premier explain why, on the very day the select committee report, which was signed by Liberal members, said specifically and clearly that Darlington is not needed to meet environmental standards, dealing specifically with the acid rain question, the Minister of Energy (Mr. Kerrio) got up and said, "If we are going to have new environmental standards for acid rain, maybe we are going to have to go ahead and build Darlington"? Can the Premier explain that flat contradiction?

Hon. Mr. Peterson: Let me say to the honourable member that acid gas is one of the considerations that one looks at with respect to the Darlington equation. We will be looking at that as well as the financial and other implications. Let me assure the member, now that we have the benefit of the legislators' point of view, we will consider that in conjunction with other information we have and we will make a decision.

Mr. McClellan: There is a loose cannon on the deck. How many loose cannons is too many?

Interjections.

Mr. Speaker: Order.

PCBs IN FOOD

Mrs. Grier: I have a question for the Minister of the Environment. Earlier this month, scientists at Environment Canada revealed unacceptably high levels of polychlorinated biphenyls in Ontario food. When questioned, the Minister of Agriculture and Food (Mr. Riddell) did not deny these findings. Now we have the Royal Society of Canada and the US National Research Council releasing a report showing that residents of the Great Lakes basin are more heavily exposed to toxic chemicals than any other group in North America. Why have we heard nothing from the Minister of the Environment on this very crucial issue?

Hon. Mr. Bradley: If the honourable member watched the newscasts yesterday, or if she read

the newspapers today, she would understand that I have given a reaction to this report. I clearly indicated to those who were asking the question at that time—and I had anticipated the member would ask this question today; I would have been surprised if she had not—that the report simply confirms the concern that many of us in this House, including the Minister of the Environment, have expressed for some time, both as opposition members and now as members of the government, about the quality of water in the Great Lakes.

I do not have all the backup data that go with this report, or at least I have not seen these backup data which support the information provided in the report, but suffice it to say to the member that I have a great concern about that. My ministry has been undertaking activities designed to address the problems mentioned in this report, which provides a good public service because it focuses general attention on an area that should be of concern to us all.

Mrs. Grier: Let me inform the minister that many of the findings and data upon which this report is based are from his own ministry; so I am sure he can quickly become familiar with them.

We have heard from the minister today that he is going to move to protect our water supplies. The Minister of Consumer and Commercial Relations (Mr. Kwinter) has moved quickly to protect our wine supplies. Will the Minister of the Environment provide a full accounting of all recent testing done on foods in Ontario?

Hon. Mr. Bradley: I can explore with representatives, for instance, of the Department of National Health and Welfare, the federal Department of Agriculture, the Ministry of Agriculture and Food, the Ministry of the Environment and perhaps the Ministry of Health as well as the Ministry of Labour, which sometimes has a jurisdiction here, what the results of our tests have been and how extensive that testing has been.

The member would want me to reveal to the House that our ministry has been deeply involved in a number of activities designed to reduce the harmful effluents that might be getting into the atmosphere, making their way into our waterways or going directly into our waterways and our soils.

For instance, I attended a meeting the other night to develop regulation 308. We want to toughen that regulation. We brought together representatives of industry, environmental groups, government groups and so on at a seminar where we are developing a much

stronger air emission regulation. We have strengthened the regulation as it relates to the transportation of goods. We have proclaimed the spills bill. We have a drinking-water surveillance program under way. We are in the process of developing legislation that would—

Mr. Timbrell: On a point of order, Mr. Speaker: This is turning into a ministerial statement. While I am sure the minister would love the opportunity to pat himself on the back and require medical aid, I respectfully submit that some time should be added to question period.

Mr. Brandt: With respect to the question of polychlorinated biphenyls in the environment and the recently released report that the minister referred to earlier in his statement, I wonder whether the minister can give the House some indication of when his ministry will begin to move on the destruction of PCBs.

Recognizing that the technology is available and that a large volume of PCBs is in storage ready and waiting to be destroyed in this province so they will no longer be an environmental hazard, when will he be ready to move on that?

Hon. Mr. Bradley: I assure my good friend the former Minister of the Environment and the former Environment spokesman for the Progressive Conservative Party that we are moving far more expeditiously than his government did on this problem. The honourable member will be aware that, by and large, PCBs have been removed from use right across Canada and are slowly being removed, where they are encased, and stored in many places.

I had a commission that reported to me. Upon receiving the report of that commission, I provided a response to it. Ministry officials have almost completed the final regulation that will permit the testing of and a progressive movement towards the destruction of PCBs in Ontario. Since the member has been the minister, he knows the procedure gone through and he knows we want to ensure it is done in an environmentally safe and healthy fashion for the people of this province.

Mrs. Grier: The minister quite properly pointed out the multiplicity of jurisdictions involved in the whole question of monitoring what is happening to our food. Given what he has said, will he agree to the establishment of an interministerial committee that would include the Ministry of Agriculture and Food as well as his own ministry and would publicize what is known about contaminants in Ontario?

Hon. Mr. Bradley: Rather than setting up yet another task force in government, I will be pleased to have our officials draw all that information together from the other ministries and provide it to members of the House and to the general public. The member's suggestion is a very valid and reasonable one, and the concern she raises is a reasonable one, as is the concern in this report. However, if the matter can be accomplished more efficiently in the fashion I have proposed, I am not inclined to set up another task force.

Mr. Timbrell: Mr. Speaker, I have a question for the Minister of Northern Development and Mines, but before putting it, I wish to draw to your attention and to the attention of all honourable members the return to the House after a much-deserved rest of the member for Muskoka (Mr. F. S. Miller), our former leader and Premier.

ACCESS TO ABORTION COMMITTEES

Mr. Timbrell: Recognizing the responsibilities of the Minister of Northern Development and Mines for advising the government on all matters related to the needs of our fellow Ontarians who live in northern Ontario, and recognizing that during the course of the most recent election campaign, the Premier (Mr. Peterson) gave repeated assurances to women in northern Ontario that during his tenure they would have easier access to therapeutic abortions, I want to ask the minister what he has done to give effect to the campaign promises of his leader to assure women in all parts of northern Ontario that they will have the right of access to therapeutic abortion committees, which is their right under the Criminal Code of Canada.

Hon. Mr. Fontaine: First of all, I am not the Minister of Health. I will refer that to the Minister of Health. I do not know what the honourable member is talking about.

Mr. Andrewes: Very sensitive.

Mr. Speaker: Order. The minister has referred the question to the Minister of Health.

2:50 p.m.

Hon. Mr. Elston: As was indicated earlier, we have started a process that is looking into the question of access and we are dealing with that inside the ministry. We are looking at the question of access as it surrounds the entire province, not just northern Ontario. I can assure the honourable member that we welcome his input and comments on the question of access as well.

Mr. Timbrell: We have established that the minister is not going to get any input from the Minister of Northern Development and Mines, who either knows nothing about the subject or does not care about the subject as it pertains to women in northern Ontario; clearly, when the next election comes around, we will be back to no Liberal representation in the north, which apparently is the case now.

Will the minister take the immediate step of removing the \$75 deterrent fee, which is part of his northern health care transportation policy, as it pertains to the right of women in northern Ontario to access therapeutic abortion committees for consideration of their applications?

Hon. Mr. Elston: The question revolves around the northern travel program, and I can tell the member for Don Mills that the program funds in a granting manner the cost of transportation. It does not necessarily mean there will be a \$75 reduction on the basis of that travel cost. In setting up the grant, as the member for Cochrane South (Mr. Pope) knows, we used a rough approach to find out what the grant should be, but that does not mean there will be a \$75 upfront payment by the people who use the system.

I can tell members we are watching how the policy proceeds in the introduction phase and looking at ways of improving it, but the thing we are looking at most right now is getting it into place for those people in northern Ontario. I welcome the input of members, such as the member for Fort William (Mr. Hennessy), who have certain suggestions with respect to northern travel. We are providing the grants to help pay for medically necessary travel; that is what we have done and that is what we are doing.

Ms. Gigantes: The honourable member who just asked the question knows perfectly well he received the report of a provincial committee on the application of the Badgley review of abortion law as it pertains in Ontario, and he knows there has been an access problem for a long time.

Can I ask the minister when he is going to deal with this question of a Liberal policy on access and what is actually going to happen with abortion policy in Ontario?

Hon. Mr. Elston: I thank the honourable member for the question. I can tell her as well as the rest of the members it is a concern of ours that we review this policy and program thoroughly and that we are able to discuss it thoroughly around the province before a definite position is provided. It is an extremely important issue for the people of Ontario, and we are looking at it very thoroughly and very closely.

FOREST MANAGEMENT

Mr. Laughren: I have a question for the Minister of Natural Resources concerning the so-called forestry audit he has undertaken. I would like to take him back a month or so to when he said he "wanted a report on the nature and extent of the forest resource now and as it is projected to be in 20 years."

The minister may know that I met yesterday with the auditor of our forests. He told me in no uncertain terms that it was simply impossible, given his mandate, to do that kind of job in the time frame he has been given by the minister. He intends to do a management review of the Ministry of Natural Resources. Can I ask the minister, since that report is going to be done, who is going to do the audit of our forests?

Hon. Mr. Kerrio: This is the first phase of a ministry that needs a tremendous examination. Bringing in Dr. Baskerville from the University of New Brunswick, who has an excellent reputation in forestry, is only the first phase of what I propose to do to make certain we are going to have a sustained yield in the forests of Ontario. I make that commitment here, and I shall continue to pursue that worthwhile goal.

The honourable member should know full well that he and the other critic have been made fully aware of when we are going to start and how we are going to do it. I will be meeting with Dr. Baskerville as soon as I leave here. I waited because I anticipated the member's question. I shall very properly put some questions to Dr. Baskerville as to where we should go in the future to make absolutely certain that what has happened to our forests over the past years will not happen in the future.

Mr. Laughren: With all due respect, the minister is giving me nothing but hot air. When is the minister going to understand that what is needed is an on-the-ground audit of Ontario's forests? Why does the minister continue to take bad advice, knowing full well the advice he has been taking so far will do more to protect the record of the previous government than to tell us about the state of the forests in Ontario?

Hon. Mr. Kerrio: I think a very important issue is escaping the member. For us to do the kind of audit he is hoping for and is anticipating, and it will happen, we have to have assurance that the numbers the ministry staff has put forward over the years are legitimate numbers. That is what Dr. Baskerville is doing. We have to take that first, important step.

I want to share with the member a concern I have had over the years. I trust implicitly the foresters and the people who look after us at the staff level; if they are not interfered with, and if we give them the commitment that we want to do the proper thing, they will co-operate with us. I have a feeling that is happening.

I assure the member that after Dr. Baskerville tells us how good the numbers are that were given to us by the former administration, we shall take the other step forward that is needed of going into an inventory in some depth if it appears that is required.

MINISTER'S COMMENTS

Mr. Pierce: My question is for the Minister of Northern Development and Mines. Did the minister make the statement in Fort Frances on Saturday, December 9, 1985, "Jack Pierce and Leo Bernier are liars, and if you do not believe me, go and ask God"? It is a question that requires nothing more than a straight yes or no answer.

Hon. Mr. Fontaine: First, I cannot say yes or no. I do not know what the honourable member is talking about; he was not there. Second, the question was, "Are you telling me that Mr. Pierce or Mr. Bernier is a liar?" I said, "As a Catholic, I cannot say that, but he did not tell you the truth." That is what I said.

Mr. Pierce: I must say that comment by the Minister of Northern Development and Mines is very detrimental to my character, particularly in my own riding. I believe the minister owes me an apology.

Mr. Speaker: Supplementary.

Mr. Pierce: I suggest further that if the minister does not know what he said, he should find out what he is saying.

Hon. Mr. Fontaine: I have the tape at home.

Mr. Speaker: I am waiting for a question.

Mr. Pierce: Is the minister prepared to retract and withdraw the statement he made to the press and radio in Fort Frances on Saturday, December 9?

3 p.m.

Hon. Mr. Fontaine: What I said was what I said a few minutes ago, and I have nothing to retract. I did not talk about a liar, as he says; I said he did not tell the truth. I said exactly, "As a Catholic, I do not say they are liars, but they did not tell the truth." That is what I said. That is it. He is the one who—

Mr. Timbrell: Mr. Speaker, on a point of order and privilege: You will recall two days ago

the honourable member tried to raise this matter and you ruled it out of order in that it occurred outside the House. Today we have had a statement by the honourable minister—I use the term “honourable” advisedly—that the member for Rainy River (Mr. Pierce) did not tell the truth. I take it by inference he is applying that to the member for Kenora (Mr. Bernier) as well.

I ask you to direct that member to retract what he has said and apologize, or I would respectfully submit the whole matter should be referred to the standing committee on procedural affairs and agencies, boards and commissions to be reviewed by that body.

Hon. Mr. Nixon: Mr. Speaker, on the same point of order: Before you accept the advice from the House leader on the other side, I draw to your attention that the alleged statements were not made in this House. Also, the matter is certainly one that should not be the subject of any direction by you. The member has explained his position and I hope we can let it go at that. After all, what are we trying to do, make something out of nothing?

Mr. McClellan: Mr. Speaker, on a point of order: If this point of privilege is going to continue, could you at least stop the clock so that the rest of the back-bench members do not lose their question period?

Mr. Speaker: As I understand it, it is a point of order suggesting—

Mr. Martel: Then rule on it.

Interjections.

Mr. Speaker: Order. I have listened to a number of the members on this point of order, and as I understood the minister, he did not accuse another member in this House.

An hon. member: He just did.

Mr. Speaker: No. With the noise level here, it is somewhat difficult to hear the exact wording. So that we can get on with the question period, would you allow me to look it up the minute Instant Hansard is available? I will come back to it then.

Mr. Bernier: Let me come back to the question. We have one more supplementary.

Mr. Speaker: No.

An hon. member: One more. Another supplementary.

Mr. Speaker: Order. The member for Rainy River had a question. It was answered. Then he got up on a supplementary.

Mr. Bernier: Mr. Speaker, on a point of privilege: The honourable member has denied

calling the member for Rainy River and me liars, which is on a tape the member for Rainy River has from the Fort Frances radio station. If he has denied that statement, though we have the tape, will he clarify to this House the statement he made to the Fort Frances radio audience?

Mr. Speaker: Order. That is the question the member is trying to place. I said I would look at the—

Mr. Bernier: Is this becoming of a member of this House?

Mr. Speaker: Order. I said I would look at the record of what he said in the House. The member for Rainy River has had one question and a supplementary. Therefore, is there any other supplementary from any other member?

Mr. Timbrell: Mr. Speaker, on a point of order: Not to be argumentative, you will recall we had a conversation the other day on the question of supplementary questions, and you drew my attention to standing order 27(d), which indicates that you have complete discretion as to how many supplementary questions you allow on any question. The standing order refers to “any members.” It is not specific by party.

Given the gravity of the situation, I invite you to consider whether or not the member for Kenora should be allowed a supplementary question on something which pertains directly to him and his reputation.

Mr. Speaker: The members got up on a point of order and asked me to look into it. I will look into it, and after I have made my decision on it, there will be ample time at some point for the member to get up on a question.

FAMILY BENEFITS REQUIREMENTS

Ms. Gigantes: I have a question for the Minister of Community and Social Services. Following on the decision by Mr. Justice Steele of the Supreme Court of Ontario, I would like to ask the minister whether he will commit himself to a policy that an applicant mother who is otherwise eligible for benefits for herself and her child under the Family Benefits Act can receive those benefits so long as she makes a statutory declaration that she does not know who fathered the child, or that, in her judgement, it is in the best interests of the child that she refuse to disclose the identity of the father.

Hon. Mr. Sweeney: The requirements under the family benefits legislation are that all relevant information be made available to the director so he or she can determine whether the applicant

qualifies for the benefits. I have no intention of changing that requirement.

Ms. Gigantes: How far would the minister carry this principle? For example, would he approve legislation in this province that would require a woman who bore a child of an incestuous relationship to disclose this fact under family benefits legislation?

Hon. Mr. Sweeney: The intention of the legislation is to determine whether other resources are available to the applicant. Since each decision is made on an individual basis, the director has the right to have sufficient information to determine whether those resources are available. If they are not or if it is not appropriate for them to be available, he does not have to require it.

Mr. Cousens: It is obvious the minister is wrapping himself in red tape instead of trying to cut it to help people who have problems. It is high time he began to look at specific instances like this where people have a problem, they have a need and it is for the minister to do something to help them. Will he do something now?

Hon. Mr. Sweeney: The current provisions clearly permit an individual director to look at individual circumstances in each and every case. However, if the applicant refuses to supply sufficient information for the director to be able to make an appropriate decision, then the director obviously has to refuse. It is not a case of the information not being valid or not being sufficient. Sufficient information simply has to be provided for the director to make a decision. Otherwise, he or she is not doing his or her job.

EMPLOYEE HEALTH AND SAFETY

Hon. Mr. Wrye: I will get through this as quickly as I can. The member for Sudbury East (Mr. Martel) asked a number of questions on November 29.

In answer to his questions on Duracell, I am advised that the regulations respecting mercury under the Occupational Health and Safety Act apply to Duracell. As part of the medical surveillance program, the company is clinical testing, which provides for monthly urinalysis of workers exposed to mercury and manganese. The results are provided to the health and safety committee. The mercury regulation also requires that the employer conduct air sampling to ensure that workers are not exposed to harmful levels.

In January 1985, the ministry conducted air sampling. All long-term results for mercury were within the permissible limits. Manganese was not tested at the time.

The ministry conducted further sampling on December 2, 1985. Three sample areas for mercury were found to be above the permissible level of 0.05. One was at 0.075, one at 0.08 and one at 0.055; that is three out of eight. Two personal samples out of six were above the permissible level of five. One was 5.5, the other 8.3.

Orders are being issued today to ensure that all measures shall be taken to reduce levels to within permissible limits and that appropriate respirators be worn until this is achieved.

3:10 p.m.

In reply to another question raised by the member, ministry records disclose that the anonymous complaint was received by telephone on September 30, not in August as the member indicated, and that the inspection of the work place was on October 7. Also, on December 2, a medical consultant from the occupational health branch visited the work place. His investigation revealed that no workers were dismissed due to elevated mercury levels. One male worker was relocated temporarily during February of this year and three pregnant workers were relocated to nonexposed areas, also this year.

Four workers did report cases of conjunctivitis to the health centre and of these, only one might have been work related. That worker is currently symptom free. Five workers have reported upper respiratory infections or bronchitis since July 1985, but none was associated with elevated mercury levels and none of these concerns was raised with the joint health and safety committee.

Finally, I want all members, especially my friend the member for Sudbury East, to know that we have begun a comprehensive review of the ministry's policy for investigating complaints, particularly anonymous complaints. I expect to announce a policy in this regard shortly.

Mr. Speaker: I really think this is a case that comes under standing order 27(a), where the answer should have been given as a ministerial statement. In fact, maybe the question should have been given as a written question, so I am going to add two minutes to the question period.

Mr. Martel: With the horrendous figures the minister has put forward, and since, when the inspectors have been out on their own they never find anything in excess, is it not time we found out what is wrong within the Ministry of Labour?

The minister might be pleased to know there were two complaints. Two different women called; one on August 13, for which there was no inspection, and the one that was inspected. How can that happen? When one sees the stats and the

calls that go in and they are not all inspected, can the minister answer what in God's name is going on with that ministry?

Hon. Mr. Wrye: I can only say to the member, let us deal frankly with the August 13 call—

Mr. Martel: Yeah.

Hon. Mr. Wrye: The member does not know it occurred and I do not know it occurred.

Mr. Martel: Yes, I do. Baloney. Why would a woman call me to tell that? Did the woman make it up?

Mr. Speaker: Order. The member does not want an answer.

Mr. Rae: Are you saying she lied to people?

Hon. Mr. Wrye: Are you saying the ministry did?

Mr. Martel: Why did she come to me then? For something to do?

Mr. Speaker: Order.

DRINKING AND DRIVING

Mr. O'Connor: The Attorney General will be aware of a recent Supreme Court of Canada decision which required a court in an impaired-driving case to consider previous convictions in sequence in order to impose higher penalties, particularly licence suspensions.

Will the minister consider moving amendments to Bill 17, which is currently before the House, in an attempt to resolve this difficulty which he will understand will permit up to 10,000 persons currently under suspension to retrieve their licences prior to the end of the terms they would have otherwise had to serve?

Hon. Mr. Scott: Perhaps I could ask the honourable member if he and his party would support such an amendment.

Mr. Speaker: This is not the proper place to ask that question; you can do that some other time.

Hon. Mr. Scott: With a minority government, it would be very helpful to know some of these things.

The reality is that I have not received a copy of the Supreme Court of Canada decision and have seen only a summary of it. I propose to wait, if the member will permit, until I have reviewed it and I will answer his question at that time. Perhaps he will answer mine before then.

Mr. O'Connor: Perhaps the minister is unaware that there are officials in his ministry currently looking at that decision with a view to

proposing amendments to Bill 17. He should communicate with his officials in that regard.

As part of the overall program of the province to combat drunk driving—with which this party agrees entirely and the minister knows that—will he direct his law enforcement agencies to run the very successful reduce impaired driving everywhere program, which is traditionally implemented only at Christmas, on a year-round basis, something we would support?

Hon. Mr. Scott: The premise of the question is false. The decision has not arrived from Ottawa, although a summary of it has. When it has, we will review it, both in the ministry and in my office and provide an answer to the question.

On the second question, the issue of RIDE, we are looking at the question of extending it to limited periods of the year. It is a very labour-intensive program, as the member knows, and if any other extension were to be contemplated, it would involve the expenditure of very large sums of taxpayers' money, which might not be warranted.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: I am going to give the Minister of Labour another chance, this time regarding Elliot Lake and the radiation services provided by the Ministry of Labour.

Since two of the four workers who were hired to test for radon daughters in the homes are no longer employed by the ministry, and since the other two are apparently going to be dismissed at Christmas, can the minister indicate how many of the houses have been tested for radon daughters to protect the workers and their families against excess exposure? Who is going to look after the program if it closes down as it currently exists?

Hon. Mr. Wrye: I am going to have to take the question as notice and I will get back to the honourable member quickly.

Mr. Martel: When the minister is looking it up, would he also be able to verify whether there is some truth to the rumour that Denison and Rio Algoma, those wonderful companies that have looked after the workers' health up there so well over the years, are going to be the people responsible for doing the monitoring in the future?

Hon. Mr. Wrye: I will check and get back to the member.

RENTAL ACCOMMODATION

Mr. Gordon: My question is to the Minister of Housing. Since he has been able to do very

little so far for the single-parent families—as we saw last week with Cheryl up in the gallery with a baby two months old and two other children living in one room above a bar and paying \$500 a month—can he tell us what he has been able to do with regard to his negotiations with the federal government when it comes to the joint federal-provincial funding of the 10,000 units?

Hon. Mr. Curling: I thank the member for his question. We are having discussions with the federal government, and the global agreement and the operating agreement will be signed very soon. I will report to the member as soon as we finalize those.

Mr. Gordon: I find that a little confusing, since the reported remarks of the federal minister responsible for housing are that no funding arrangements are going to be made with Ontario for those units. Can the minister inform us exactly whether what Mr. McKnight has been saying is factual or not? As late as the last week or so of November, that minister was quoted as saying that Ottawa had declined a request from Ontario for joint funding and that Ontario would have to build the 10,000 units on its own. Can he tell us what is going on?

Hon. Mr. Curling: I indicated to the member before that our policy would be coming out very soon. I understand his anxiety. Very soon he will see the details of our policy and he will see there that we are taking into account within the policy, the needs of low-income single parents also.

Mr. McClellan: It is always edifying to listen to housing questions from colleagues who had not built a single unit of housing in Ontario since 1978.

Interjections.

Mr. Speaker: Order.

Mr. McClellan: Can the minister assure us that when the federal-provincial agreement is renegotiated, there will be absolutely no increases in the percentage of income charged to tenants as rent under the rent/geared-to-income programs?

Hon. Mr. Curling: I can assure the member of that. I did not want to make comments about the previous government, because I am here not to lay any blame but to correct all those things that went on before.

3:20 p.m.

INJURED WORKERS

Mr. Mackenzie: I have a question to the Minister of Labour. He will be well aware that injured workers in Ontario certainly thought they

had a commitment from his government that there would be automatic indexing of Workers' Compensation Board pensions in this session of the House. Can the minister tell us whether he intends to bring in that legislation concerning automatic indexing of WCB pensions?

Hon. Mr. Wrye: We have made good progress in our consultations with both business and labour, and recommendations have gone forward to my cabinet colleagues. I would certainly like to be able to fulfil the important commitments this government have made in a number of labour areas, including this one.

Mr. Mackenzie: I want the minister to be well aware that in terms of the long battles that injured workers have had for some justice in this province, we will do everything we can to clear the decks. There should be a commitment to see that legislation put forward before Christmas.

Hon. Mr. Wrye: I thank my friend for being supportive. The government believes, as this party has believed and has stated repeatedly, that this policy is an appropriate one. I know the Union of Injured Workers had a press conference this morning at which these important matters were raised. I want to be, and the government wants to be, very sympathetic, because we believe that in this area the views of that organization are quite just.

TRIAL DECISION

Hon. Mr. Scott: On Thursday last, the member for Oakville (Mr. O'Connor) asked me about the decision in the criminal case of Regina and Jondreau. Mr. William Jondreau was convicted on November 7 on a charge of sexual assault causing bodily harm. The victim was a seven-year-old girl living in the neighbourhood.

On December 4, 1985, he was sentenced by Madam Justice Van Camp of the Supreme Court of Ontario to a reformatory term of two years less a day, followed by three years of probation. The crown attorney prosecuting the case had requested a penitentiary term of eight years.

We have now received the report of the crown attorney who prosecuted the case and the reasons for judgement of Madam Justice Van Camp. I have read both documents carefully, as have my law officers. We have given the matter the most serious consideration possible and we have determined in this case that an appeal as to sentence will be taken to the Court of Appeal.

Mr. O'Connor: The minister will have read the decision of Madam Justice Van Camp, wherein she is reported to have said in part that, other than the act against this little girl, there was

no history of violence in the background of this accused.

Will the minister instruct his crown attorneys that the very acts perpetrated on this little girl were of the most violent type possible and that a judge should not take the view that, other than the rape that took place and the acts perpetrated, there was no violence? That is the worst kind of violence imaginable.

Hon. Mr. Scott: The honourable member, I am sure to achieve no advantage, may have misread the reasons of Madam Justice Van Camp. What she said, as I understood it, is that, apart from the facts of this case, there was no evidence of violence in the man's previous record.

I do not know whether that is true or false. I simply know her recitation of the facts was what she relied upon. I have no reason to doubt the correctness of her summary of the evidence put before her, and neither has my friend the member for Oakville.

REPORT ON PRIVATE SCHOOLS

Hon. Mr. Davis: I have a question for the Minister of Education. In view of his statements about not funding private schools in the province, can he explain to this House why he has commissioned Dr. Shapiro to hold public hearings on his report across the province?

Hon. Mr. Conway: I am happy to entertain the question from my reverend colleague the member for Scarborough Centre and to tell him that the—

Mr. Breagh: How happy is the minister?

Hon. Mr. Conway: Very happy. I am happy to have my friend the member for Don Mills (Mr. Timbrell) back and I am happy to have the opportunity to—

Interjections.

Mr. Speaker: We would be very happy to hear a response.

Hon. Mr. Conway: Mr. Speaker, in this sometimes bin of acrimony, I thought you would like to have a happy fellow, and I am glad today.

I want to say to my reverend friend the member for Scarborough Centre that the previous government invested more than \$438,000 in the report on private schools. While it is certainly not the intention of the government to fund private schools, the issues raised by Dr. Shapiro in his report were of considerable interest to many in the educational community, and I felt it would be useful for the community to have the benefit of some public dialogue on the report.

We have arranged for Dr. Shapiro to travel across the province, release his report and speak to the many issues in the report that affect not just private school education, but as the member for Scarborough Centre knows well, deal also with public education in that report.

Mr. Davis: I would like to point out to the minister that when the previous government commissioned that report, it had not publicly stated anywhere that it would not fund it. As I understand it, when the minister sat on this side of the House, he was sympathetic to it.

Can he explain why these hearings have been scheduled with such haste, limiting public input? He has set aside one night in Toronto to obtain the views of some three million people. Would it not be more appropriate to establish a parliamentary committee to provide a fuller consultative process; or are these public hearings simply window-dressing, a waste of time for delegations and a sham, because the minister and the Premier (Mr. Peterson) have said they will not fund them? Why have them then?

Hon. Mr. Conway: It is out of character for my friend the member for Scarborough Centre to become so worked up. I want to tell him that the commissioner indicated a willingness to travel across the province and to provide information briefings on the contents of his report. I thought it was a perfectly good idea and we have supported that initiative.

I indicated on the release of the report earlier in the fall session—I think it was in early November—that we would encourage that kind of information exchange at the outset and that we would provide the educational community with a period of time to think about the issues raised in the Shapiro report and to communicate to me in writing before the end of April 1986, so that I can have the benefit of its views on this most interesting and wide-ranging report. I reiterate to my friend that, as he knows, it deals not just with the issue of private schools, but raises a lot of subject matter in the area of public education as well.

INSURANCE RATES

Mr. Swart: I have a question for the Minister of Consumer and Commercial Relations. To date, the minister has passed off the dramatic increase in insurance rates by saying that it is part of a worldwide problem. While recognizing that rates are rising in some other jurisdictions, is it not true that the increases in this province are, on average, substantially higher than in any of the other major provinces in this nation? Is it not true

that a growing number of trucking and other companies now are going outside the province and outside the country to buy cheaper insurance?

Hon. Mr. Kwinter: The problems of the insurance industry have been well documented in this House. I can say to the honourable member that, because of the problems, people are going wherever they can to get insurance, but it is not borne out by the fact that the highest rates are in Ontario.

3:30 p.m.

Mr. Swart: Perhaps I might inform the minister of the case of Rose City Wholesale Inc. in Welland, whose insurer refused to renew its insurance, as many of them are doing. After shopping unsuccessfully in Ontario, including getting some vague price of something like \$10,000 to \$12,000 from the Facility Association, it purchased insurance in the United States for \$9,000 per truck. Other companies are doing the same.

Should this not convince the minister that his ministry ought to impose an immediate limit on rates and, further, have a full-blown, in-depth investigation on insurance instead of the insipid review by the internal task force, which is composed—

Mr. Speaker: Order. The question has been asked.

Hon. Mr. Kwinter: The group that is looking at the insurance problem is made up of representatives of the industry and government. It will be coming back with a report very shortly.

Mr. Speaker: The time for oral question period has expired.

Mr. McClellan: Mr. Speaker, you forgot to add the two minutes.

Mr. Speaker: That was added on the clock.

Mr. McClellan: What about the three minutes that was wasted on the points of order and privilege?

Mr. Speaker: I added only two minutes.

NOTICES OF DISSATISFACTION

Mr. Pierce: Subject to standing order 28(a), I wish to enter my dissatisfaction with the response by the Minister of Northern Development and Mines (Mr. Fontaine) to an earlier question.

Mr. Speaker: I know the member will take the next appropriate steps.

Mr. Bernier: I, too, am not satisfied with the answer to the supplementary I asked the Minister

of Northern Development and Mines. I would like this further debated at 10:30 p.m.

Mr. Speaker: Could the member for Kenora inform me on what day he asked that question?

Mr. Bernier: Today. It was supplementary to the question by the member for Rainy River.

Mr. Speaker: I do not recall it.

Ms. Gigantes: Pursuant to standing order 28(a), I wish to give notice that I am dissatisfied with the answer given today to my question to the Minister of Community and Social Services (Mr. Sweeney).

[Later]

Mr. Speaker: Before I recognize the next speaker, I wish to give notice pursuant to standing order 28(b) that the member for Rainy River (Mr. Pierce) has given notice of his dissatisfaction with the answer to his question given by the Minister of Northern Development and Mines.

Pursuant to the same standing order, the member for Ottawa Centre (Ms. Gigantes) has given notice of her dissatisfaction with the answer to her question given by the Minister of Community and Social Services. These matters will be dealt with at 10:30 p.m.

PETITIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Bernier: Mr. Speaker, I have in my hand a petition signed by 178 residents of the Dryden, Vermilion Bay, Eagle River, Sioux Lookout and Wawa areas. It is directed to the government and reads as follows:

“Ontario is a multiracial, multicultural and multifaith society that is well served by a strong public school system. Your government’s proposal to extend public funding to the Roman Catholic separate schools is a backward step since it will grant special status to one specific denominational group.

“I/we urge you and your government not to proceed with this divisive proposal.”

Mr. Ward: Mr. Speaker, I have a petition signed by a number of residents of the Hamilton-Wentworth region, which reads as follows:

“Ontario is a multiracial, multicultural and multifaith society that is well served by a strong public school system. Your government’s proposal to extend public funding to the Roman Catholic separate secondary schools is a backward step since it will grant special status to one specific denominational group.

"We urge you and your government not to proceed with this divisive proposal."

REPORT

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Callahan from the standing committee on regulations and private bills presented the committee's report, which reads as follows, and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill Pr8, An Act to revive the Sault Ste. Marie Pied Piper Nursery School.

Your committee begs to report the following bills with certain amendments:

Bill Pr9, An Act respecting the City of Toronto;

Bill Pr34, An Act respecting the City of Hamilton.

Motion agreed to.

INTRODUCTION OF BILL

EDUCATION AMENDMENT ACT

Hon. Mr. Conway moved, seconded by Hon. Mr. Nixon, first reading of Bill 75, An Act to amend the Education Act.

Motion agreed to.

Hon. Mr. Conway: This is the so-called French governance legislation, which provides for the governance of French-language instruction where English is the language of the majority, and for the governance of English-language instruction where French is the language of the majority.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

TIME AMENDMENT ACT

Mr. McClellan moved second reading of Bill 58, An Act to amend the Time Act.

Mr. Speaker: The honourable member is aware that he has up to 20 minutes and may reserve any of that amount of time for the end of the debate.

Mr. McClellan: Mr. Speaker, with your permission, I will reserve five minutes of my time for wrapup at the end of the allotted time for the debate.

Bill 58 has seen the light of day in this assembly before. It was moved in various forms by our former colleague Michael Cassidy when he was the member for Ottawa Centre. It is an

attempt to change the hours of daylight saving time. At present, daylight saving time begins on the last Sunday in April and runs through to the last Sunday in October. The purpose of Bill 58 is to extend daylight saving time from the first Sunday in April to the first Sunday in November.

Some members will be familiar, in general at least, with the history of daylight saving time and particularly its importance during the Second World War. Most members, however, are not aware that its origin goes back to the 18th century; it was an idea that originated in the mind of Benjamin Franklin, one of the many bright ideas of that fertile imagination. His proposal was adopted regionally in some parts of the United States, periodically and episodically between the time he first proposed it in 1784 and the time it was first adopted on a major scale in the US during the First World War.

In our country it has been a part of our way of life since the Second World War. Various attempts have been made, particularly since the oil crisis in 1974, to extend daylight saving time, all of them frustrated until this year. It is a matter of knowledge by members of the assembly that the American Congress voted this year, on October 22, to extend daylight saving time, as I have proposed here today, from the first Sunday in April to the first Sunday in November.

Interjection.

3:40 p.m.

Mr. McClellan: My colleague the member for Lincoln (Mr. Andrewes), who is listening attentively to the debate, pointed out to me sotto voce that we do not seem to be able to do things until our American cousins do them first. That is regrettable. This House in the past has refused to extend daylight saving time, but I am convinced there is a certain inevitability to the question now. It is sad to realize it becomes inevitable to the extent that the Americans do it first. I hope very much that we can look at the proposal, not so much in the light of what the Americans are doing but solely and strictly on its own merits.

It is a proposal that I feel is important for a number of reasons, the principal one being the quality of life enhancement it provides to our citizens. We live in a dismal climate. We live in a beautiful country that is cursed with a miserable, wretched, dark and bleak autumn and winter. We are deprived of the sunshine that people in other countries and climates take for granted, and we suffer from it. Some of us suffer more than others, obviously. I am one who suffers from the lack of sunshine—

Mr. Wildman: Let us face it. We are a Nordic country.

Mr. McClellan: We are a Nordic country, as my colleague rightly points out.

We should do everything we can to capture every last ray of sunshine and channel the rays of sunshine into those portions of our lives where they will do the most good. In a phrase, we should attempt to maximize sunshine during our leisure hours, after school and after work. If we have the capacity to pass laws that make it possible to give our citizens sunshine during their leisure hours, their recreational hours after school and after work, we should take advantage of that potential and do so.

It seems to me passing strange that we have structured our lives by the way we set our clocks. In a sense we are deliberately depriving ourselves of sunshine in the afternoon hours when children could take advantage of the opportunity to play after school and those who have the opportunity to leave work at a reasonable time in the afternoon could still enjoy the sunshine, rather than disperse the sunshine in such a way that we come out of the school, the office or the factory into the pitch-dark, bleak, cold, chilly winter.

More seriously, I have a report from the physics division of the National Research Council of Canada, completed in 1981 under the direction of C. C. Costain, head of electrical and time standards for the NRC. This report makes a number of very strong and solid arguments as to why daylight saving time should be extended.

The NRC proposed that daylight saving time be extended to include both March and April, two additional months. The proposal I have put before the House is a more modest one and would lead to an extension for one additional month, April. Unfortunately, this has been necessitated by virtue of the decision taken in the United States to extend daylight saving time for April but not for March.

The NRC has underlined a number of important points in its study of daylight saving time. One is the energy saving that would accrue from extending the daylight hours into the evening. I quote from the report:

"There is a decrease of one hour per day in the lighting required in most homes and a saving of electricity of the order of one kilowatt-hour per day. The net effect through the reduced use of electric light as a result of extending daylight saving time into the evening hours adds up to \$23 million a year."

Substantial energy savings and substantial financial savings are possible to our province and

our country through the extension of daylight saving time.

The movement to extend daylight saving time, which originated in a serious way in 1974, is a response to the oil crisis of 1974 and part of the movement of concern to be more conscious of energy conservation. Even though we are now 11 years away from those initial attempts, which speaks volumes about some kinds of inertia, the fact remains that there are still significant energy and cost savings to be obtained.

Second, there are important safety considerations. In the US, one of the principal arguments for extending daylight saving time into November was to provide increased daylight for Hallowe'en. Everybody is aware of the hazards to children from trick-or-treating in the dark. There are always elaborate public safety campaigns when Hallowe'en comes around. One of the benefits of extending daylight saving time to the first Sunday of November is that at least part of that concern can be alleviated and a measure of safety can be built into Hallowe'en celebrations.

The NRC has also compiled the results of studies that were done in the US indicating that there are law-and-order benefits from extending daylight saving time into the evening hours. There has been a 10 to 12 per cent decrease in violent crime in Washington, DC, as a result of the establishment of daylight saving time.

In summary, there are a number of clear ecological benefits, safety benefits, law-and-order benefits, financial benefits and quality-of-life benefits.

Finally, the NRC has looked at the question of practicality to try to determine whether an extension of daylight saving time in Canada would result in serious problems for schoolchildren in the morning. A study was done in all major Canadian cities right across the country.

The criterion used was whether additional daylight saving time would impinge on sunrise within half an hour at eight o'clock in the morning. The peak period for children travelling to school in the morning was identified as 8 a.m., and the concern was whether children travelling to school at 8 a.m. would be put at risk of travelling in the dark as a result of the establishment of daylight saving time.

The NRC discovered this was not a concern. In fact, all major Canadian cities except those in Saskatchewan were well within the safety limits for schoolchildren in the morning. It is ironic that Saskatchewan itself, which was identified in the study as being at risk in this sense, has already introduced year-long daylight saving time.

My time has almost expired. I simply want to say that, for me, the overwhelming arguments are those of quality of life. We live in a difficult climate in which sunshine is at a premium. Sunshine is important to people's emotional health and emotional wellbeing. I simply ask the House to consider the introduction of daylight saving time in such a way that we can have more sunshine after work and after school and thus enhance the recreational and leisure-time opportunities of many millions of our citizens.

3:50 p.m.

Mr. Epp: I am pleased to speak in support of the bill the member for Bellwoods has introduced. I say that for a number of reasons. I also want to urge other members of this Legislature to support the bill because I believe it to be a good and positive bill and one that is moderate in its approach. I commend the honourable member for that.

All of us have experienced daylight saving time and all of us have experienced standard time over the years. The problem with the innovation of daylight saving time goes back many years, almost to the time when clocks were first produced.

There have been many versions of correctness and trying to come up with some kind of solution that is acceptable to the public. For instance, there are those who would have daylight saving time almost all year, there are those who would like to leave it the same as it is and there are those who would like to reduce it.

In addition, there are those who would like to increase daylight saving time by about eight weeks, and there are those, such as the member for Bellwoods, who have suggested increasing it by somewhere in the neighbourhood of four to five weeks. I support this bill because it does not go as far as the resolution that North York has adopted, put forth by Controller Shiner, which adds about eight weeks and extends it to early March rather than to early April, as is proposed in this bill.

One thing this bill does not do is to increase or decrease the amount of growing time in the universe. I think it was a congressman in the United States who thought a bill to produce more daylight saving time would increase the amount of growing time. I do not think it affects the sun. The sun will shine as long as it wishes or not shine as long as it wishes; this bill does not affect that.

This is not in any way a trick-or-treat situation. It will improve Hallowe'en as far as the children are concerned; their trick-or-treating time will be

longer because they will have more daylight hours in which to do it, and that is important. I support it for that purpose.

There is a saying to which the newspapers often refer to remind people in the fall or spring when they go on or off daylight saving time: "Spring forward and fall back." In this case, we want to spring forward a little more than we want to fall back so it gives us a little more time to enjoy daylight saving time.

What it essentially does is give us more hours to enjoy the time; that has an effect, as the member for Bellwoods has stated, as far as crime statistics are concerned. He cited the statistics in Washington, DC, where crime was reduced by approximately 12 or 13 per cent. It may not have as great an impact on other parts of the country or in Canada, but obviously it does have a very positive impact.

One fear that people have had is with respect to children going to school in the morning and the surveys done with respect to children having to get up during times when there would be more darkness. There was also a fear that there would be more crime; based on surveys and studies that have been done, that fear is unfounded.

Another important factor is its impact on convenience stores, sporting goods manufacturers, candy companies and greenhouses. I am not sure about the impact on supermarkets, but the 7-Eleven stores have found that where they have increased the amount of daylight time, a lot of the women going home from work have gone there to shop. That probably would have a negative effect on large supermarket stores, but they felt there was a significant increase in the number of purchases from the small convenience stores.

From the standpoint of the work force, it might increase the number of jobs, because those smaller stores are a little more labour-intensive than are the big supermarkets. It might have an interesting impact on the number of jobs created.

We know of some groups that are opposed to it. For instance, I am told the Christian fundamentalists feel that when we have daylight saving time, we are interfering with nature itself. I find that hard to believe; it is only adjusting our particular time. I do not think it interferes with nature, but they believe, rightly or wrongly, that it does.

There are those, such as the Orthodox Jews, who are opposed to it on the basis that it interferes somewhat with their prayers and so forth. I respect that point of view; they obviously are sincere in their beliefs.

There are the farmers, who feel we should not have daylight saving time because it interferes with their way of life. It means they have to get up earlier in the morning as far as darkness is concerned because it extends additional hours in the evening. I respect that.

On balance, however—that is what we have to look at, and that is why daylight saving time was adopted originally—I believe the positive aspects of extending daylight saving time, as the member for Bellwoods has suggested, outweigh the disadvantages people might put forward. On that basis, I support the bill and commend it to the members of this assembly.

Mr. Barlow: First of all, I wish to commend the member for Bellwoods for bringing a motion of this nature before this House and for finding interesting points to bring forward for a 20-minute talk on the bill. I hope I can use up a good proportion of the 10 minutes allotted to me to discuss some of the pros and cons of extending daylight saving time.

When I first looked at the bill and thought about speaking on the matter, I felt the proposal was reasonable. In fact, I thought that having an extra hour in the evenings for an extra four or five weeks of the year would be a great idea.

The longer I had to consider the proposal, the more concerns arose in my mind. At present, Saskatchewan is about the only province that does not participate in daylight saving time [see correction in Hansard for Friday, December 13]. When I looked at that one example, I learned that a considerable number of working hours were lost in both the private and public sectors as the gap widened between our working day and their working day.

That problem will be magnified if we add another hour of difference between our province and other provinces as we deal both in business and in private life. If we have an opportunity to make a phone call to another part of the country, we will not know whether we are phoning on standard time or on daylight saving time. I can see a real concern there.

If we were to get out of step with our sister provinces, even for a short period during the year, the confusion would become another metric system. We all recall the confusion the first few times we went to buy gasoline, which is now taxed in litres by our government.

4 p.m.

I think of the times when my wife went shopping and found that the price on a package of meat or whatever, instead of being 99 cents a pound, had jumped to \$2.18 a kilogram. Of

course, it had not jumped; the price was the same, but it was confusing. The householders did not know or could not figure out whether they were getting more or less value for their money. It was confusing, to say the least.

The extension of daylight saving time has the potential for that same sort of confusion. We have to ask ourselves whether Ottawa, given it is our national capital, would join with the rest of the province. If this bill were to pass and we declared Ottawa as being on daylight saving time, its business throughout the country would be thrown out of sync in many cases. It would naturally be duty bound to follow our lead. I give credit to the member that it is a good idea to lead, but my concern is the confusion it would cause for that period. If the whole country were to do it, I would support it 100 per cent, but one province doing it gives me a problem.

We must also think about the financial institutions and telecommunications and travel industries. We currently operate in the same time zone as New York and a great many of our dealings are on the New York Stock Exchange. The Toronto and Montreal stock exchanges work very closely with the New York Stock Exchange. What effect would this change, even though it is an hour for four, five or six weeks a year, have on the stock market or on the economy of the province?

We will start our day an hour before the New Yorkers do and end it an hour out of sync with them in the evening for that period. Just as everyone adjusted to the difference, it would come to an end anyway. We should be thinking of a year-round time difference, or fast time as we used to call it. What do we say when we change the clocks? Spring ahead and fall back. It took us all a while to realize what we had to do. With these new electronic watches, it is hard to figure out how to set them anyway. Perhaps we should be thinking about it on a year-round basis.

I mentioned some of the problems such a move would create between Toronto and New York, and between Toronto and Ottawa if Ottawa remained in sync with the traditional daylight saving time. What problems would result in personal business and government dealings between the citizens of Ontario and Quebec? We have always been in the same time zone as either all of Quebec or the majority of Quebec, I am not sure which it is. We have a great many ties with them and we can ill afford to create any more difficulties or problems between our province and our sister province of Quebec.

Some of our own provincial ministries will also be greatly inconvenienced if we create such an albatross. Even the Premier (Mr. Peterson) will find the extension of daylight saving time to be a major inconvenience, given that he is also Minister of Intergovernmental Affairs. We know he will want every possible hour available to communicate with his new-found friends in Quebec. He will not want to interfere with his cocktail hour or the Premier of Quebec's cocktail hour in the evening. It will cause confusion, and confusion they do not need.

When I weigh both sides of the issue, I am afraid the scales are greatly tipped to opposing this resolution at this time. I do not feel we need daylight saving time with a differential for those five or six weeks of the year. If we can stick with the status quo and change with the status quo, this is one thing in which I do not think we can afford to be a leader. We have to do it in conjunction with the rest of the country and with our major trading partner to the south. My comment at this time is, "If it ain't broke, don't try to fix it."

Mr. Philip: As someone who is concerned about energy conservation, I support the concept that the period of daylight saving time be extended. Energy costs were not a concern at the time the present daylight saving time was established. It made sense in that era of cheap energy to make daylight saving time from the last Sunday in April to the last Sunday in October. If one reads the press and the history of daylight saving time from the time of Benjamin Franklin to the Second World War when we adopted it, one can see there was resistance at all times because people do not like change.

The time-worn slogan, "If it works, don't fix it," can be applied to almost any social innovation. I suggest to the House that the US Congress was using sound judgement in passing legislation to extend daylight saving time from the first Sunday in April to the first Sunday in November. Considering our climate and the long winters we have, there is even more reason for us to have mirror legislation, not only because we want to co-ordinate our efforts with the US, which makes some sense from the point of view of transportation and communications, but also because of our climate.

The National Research Council of Canada has estimated the total saving over two months in Canada would amount to about \$10 per family. This may not seem like a lot, but when one adds it up to about \$23 million a year, one can see there is a substantial saving to the economy of money that can be redirected towards other areas that

badly need it. When we consider that every saving in electrical power is also a saving in the environment, it is a blow, no matter how small, against pollution. There are environmental spin-offs to saving energy in whatever manner we do it.

The most attractive feature of having that extra hour of sunshine is one of improvement in the quality of life. I find our winters terribly long in this country. For a number of people, the lack of sunshine has a depressing effect. I have been in countries that have even less sunshine because they are farther north than ours and I know the effect that can have on the mental health of individuals. There is a spinoff in terms of the mental health arguments that can be made towards having that extra hour of sunshine.

Arguments have also been made with respect to crime prevention. I can even quote to the House, studies which show that the extra daylight does reduce crime, particularly crime of the more violent type. If one looks at some of those studies, one can see it makes eminent sense, both from a human point of view and a financial point of view, to have that extra hour of sunshine.

4:10 p.m.

A number of municipalities have looked at the situation. North York and the city of Toronto, for example, have endorsed the concept of an added hour of sunshine. The Association of Municipalities of Ontario has similarly endorsed the proposal for increased daylight saving time. If this modest proposal would create such anarchy, as a certain Conservative member of this House would lead one to believe, the people at the grass-roots level in this province—namely, the municipal politicians and the AMO—would not be so overwhelmingly in favour of increasing daylight saving time.

As I mentioned, the United States proposal has already received approval from the House of Representatives, and a similar proposal was examined by the Council of Maritime Premiers in 1980 but was set aside because they were concerned that no other jurisdictions were considering it. The extension by Ontario would give strong motivation to the Maritimes to follow the same route, followed by Quebec and the other provinces.

It is like any other improvement in society: somebody has to take the lead. Ontario can take the lead. We can join with our confreres in the US Congress and take the lead with them by passing legislation at the same time or perhaps even ahead of them, thereby encouraging other

provinces that are inclined towards that direction but do not want to be the first to do it.

If we look at the research and at the debate in the US, we can see that we are also talking about saving lives, because there are strong transportation safety reasons for extending the period of daylight. The Department of Transportation clearly favours the extension of daylight saving time, based on a study it did as early as 1974-75. They estimate that on a yearly basis it would save roughly 45 to 96 traffic fatalities in the US.

I suggest any measure is worth examining and passing that will save energy, cut down on pollution, improve the mental health and well-being of people, put more money in the hands of consumers, save lives on our highways and cut down on crime. I suggest Ontario should take the lead and adopt this extension of daylight saving time.

Mr. Cordiano: In speaking on Bill 58, proposed by the member for Bellwoods, I see that the changes recommended would extend daylight saving time to the first Sunday in April and to the first Sunday in November. I think we are talking about five weeks. There are some practical advantages of doing that. I have listened to the debate this afternoon and I concur with most of the arguments that have been put forward. I would also like to discuss some of the things that were brought up earlier with respect to the practicality of such a proposal.

Looking at the main objective of daylight saving time, it is to utilize better the hours in which we have daylight and sunshine. As my friend has noted earlier, it is not often that we have sunshine during the winter months. If we could extend that at least by five weeks, we could enjoy some of that extra time at home in recreational activities, etc.

However, if we are going to utilize better the hours of daylight, the only way we can do that is to make sure that sunrise is early enough vis-à-vis the clock. That would mean setting them back one hour in the morning, and it would bring the time up a little further.

Looking at what was said with regard to practicality in the discussion paper I have in front of me, eight o'clock in the morning is approximately the peak time for traffic and is the time when schoolchildren rush off to school. A number of factors enter into consideration, especially with regard to safety for schoolchildren and for them to be walking to school earlier in the morning. At the present time it is darker in the morning, and I believe that would be an added safety element for them as well as for

traffic. We are now obliged by law to turn on our headlights a little earlier in the morning and a little earlier in the evening, so this would also help in that regard.

I do not think the extension that is proposed by my honourable friend the member for Bellwoods presents major difficulties with respect to the implementation or the practicality of what we are talking about.

With regard to other factors that were mentioned in the debate by some other members, specifically economic factors, from what I understand in the discussion paper there is a decrease in the lighting required for households that represents a saving of approximately \$1.50 per month per household, and it would be quite significant over time in the entire province. I concur with my friend that energy savings are to be had by changing daylight saving time. I also think economic benefits would accrue to a number of business sectors with the change that is proposed. It would probably have a positive financial impact and that would also be a prime consideration.

With regard to social factors and the improvement of quality of life, we have more sunlight hours, as I said earlier. It is important to note that the hours we are talking about are largely spent at work during work hours, and that means indoors. If we were getting home a little earlier with respect to the amount of sunlight, people could better utilize the sun at home and would have the benefits of that sunlight at their homes and not while they were shut up at work.

There are other factors with respect to improvement of the quality of life, and these were mentioned by my friends on the other side earlier.

Another important factor is the reduction in traffic accidents. It is estimated that there would be a reduction of approximately 20 per cent in accident fatalities. This comes from the discussion paper I have in front of me, which the member for Bellwoods has already indicated.

There is the whole question of Hallowe'en. This is a significant factor as far as the safety of children is concerned. This question has come up time and time again and I think it is another key element in the arguments to be made in favour of the changes that are proposed.

Finally, I want to note one last point that the study makes with regard to crime and the reduction in violent crimes. That is a very important factor in the scheme of this proposal.

I support the member's motion and I concur with most of the arguments that have been made.

Mr. Turner: I find myself in the somewhat unusual position of being in agreement with the member for Bellwoods.

An hon. member: It is about time.

4:20 p.m.

Mr. Turner: Yes, I think so. I was going to say it was a red-letter day, but I am not sure whether that is appropriate.

I have spoken to the sponsor and I am somewhat mystified about why he did not extend it to 12 months. In his wisdom, he felt the period he has proposed is appropriate. Therefore, I will confine my remarks to that area.

It is appropriate that we choose to discuss this bill today because it is our first taste of winter in southern Ontario. We are living with the disadvantages of the dark hours coming on rather early in the afternoon or evening.

In our discussion of the merits of the extension of daylight saving time, it is essential that we do not lose ourselves in the technical and economic features at the expense of our understanding of the human concerns involved. Everyone has addressed himself to these, and it is something to which I would like to add a bit. It is a very human issue, one that touches everybody in this country, let alone this province. I would like to take a close look at some of the elements involved and how they affect all of us in our daily lives.

I recognize there are a number of difficulties in the proposal, and we are speaking of a change to a system to which we have grown accustomed, with which we are comfortable and which has served us well over the years. However, we have to stop and ask ourselves, had it not been for our willingness to change, to take risks from time to time, we would not be fortunate enough to live in a province with the benefits we all enjoy today.

I will look at some of the more positive features of the proposed extension, which I feel very strongly would be beneficial to the residents of this province.

This is the key issue: In reality, we must ask whether the public would like to exchange one hour of daylight in the morning for one in the afternoon for an additional month each year. We must ask whether this will contribute to the general wellbeing of the province and the people and whether this proposed extension would cause confusion and problems or be a welcome change for all of us. I feel it would.

We are not examining a system merely for the sake of change, to overthrow an effective one; we want to improve it. This raises an emotional issue, one which might contribute in subtle ways to the psychological health of everyone in this

province. I look forward each year, and I am sure other members do too, to setting the clocks ahead and realizing summer is finally on its way and that we have more hours of sunshine to enjoy in the evening after work or even during work. For many this is also an emotional issue.

By extending the daylight saving period, we give those who suffer from night blindness, for example, an additional hour of potential vision each day.

We should also turn our thoughts to some of the other social implications. We should speak about crime prevention and safety. The added hour of daylight will be a welcome addition for the parents of small children returning home from school and would be welcomed by the same children, who may be allowed the extra freedom to play outside for a while longer. This could be an added safety feature to an annual event of growing concern. I am referring to that great day of celebration at the end of October, Hallowe'en. I am sure we would all agree that any efforts to maintain safety and prevent tragedy on that day would be an improvement.

The number of deaths caused by automobile accidents continues to rise each year. By adding a little light in the evening rush hour, when fatigue plays a major role in driver mishaps, improved visibility may very well lessen the problem of evening accidents.

What of violent crime? This is one thing that really concerns me. Could rape or brutal attacks—usually under the cover of darkness, but not always—be prevented or decreased with one month of additional daylight? I say to the member for Bellwoods that is one of the reasons I would like to have seen it extended even further. However, we should seriously investigate any proposition that would extend personal rights and safety, and this should be considered as an important step in the right direction.

I can appreciate that this may cause concern in the agricultural sector of the province. I recognize that, especially with those farmers who may hold jobs other than just working on the farm and who want to be able to do their regular chores in the morning light. Their concerns are important and must be dealt with. We are fortunate, therefore, that we have the example of a year-round program implemented in Saskatchewan to draw on in our dealings with this vital sector of the Ontario economy.

We must also recognize the potential impact this proposal may have on business relations with those in other regions and time zones, as outlined by the member for Cambridge (Mr. Barlow). I

cannot get too excited about that, but I mention it because it may be seen by some as being insurmountable. We have so many time zones across this great country of ours that I am sure it is not going to be a great problem.

We will probably be out of alignment with the New York Stock Exchange and other business connections, but as a province that is actively engaged in many commercial activities, we already deal with contacts all over the world in any number of time zones. We manage this efficiently and with a minimum of confusion, and I am confident we can create a system to deal with any other confusion that may develop.

I do not see that as a major problem, but I wanted to mention it. I would put this in the context of the larger issue. Will the proposed extension of daylight saving time cause undue hardship, or will the public choose to accept it as part of a tradeoff in return for the benefits offered in receiving an extra month of available light?

I believe there are a number of business concerns in Ontario that might be intrigued by such a plan, given the nature of their work. Adding an hour of daylight at the end of a long day of driving a truck will be a welcome bonus for many drivers who transport thousands of dollars worth of goods and are concerned for their own safety and that of their load.

Maybe we should even look at this in terms of new environmental legislation. What effect will it have on the risk factor for those involved in this activity? We are well aware of the approval given to this matter municipally in that it reduces the peak period of needed power. Consider once again the saving to consumers that is created by a slight reorganization of how we use our time.

Another sector of the province with an interest in this is the individuals who work in the retail industry. I know the sense of urgency to return home from a shopping spree is lightened when we look out and see daylight. I humbly submit that those who spend some time shopping, unlike ourselves, may be more inclined to spend more as long as it is light outside, which creates more jobs and potentially more business.

What of the expedition to the corner store for milk or whatever products we may choose to go there for in the future? I am not sure what they may be, but it does give us more freedom to choose options in our lifestyles. Those who work in the leisure industry also have an important stake in this proposal. Why not enjoy an extra hour of daylight working on a sailboat, or barbecuing or skiing at the proper time of year? There are all kinds of advantages.

I see my time is running out. I think this change would be an advantage to the people of this province. I would like to be in the category of supporting the legislation. I would be interested in giving it a try.

4:30 p.m.

Mr. D. W. Smith: I was not billed to speak on this, but I have to agree with the legislation the member for Bellwoods is presenting here. Over the years, as a member of a municipal council, I have had many different resolutions come before me asking to pass along an opinion on extended daylight saving time. Some of them have been to start from the last week of February or the first week of March. Out in the rural communities, I think that is a little too early, especially when the young children have to go down sometimes quite lengthy laneways to catch buses. As parents, we do not like to see them start off so early in the morning in darkness.

The member has proposed quite a worthwhile bill here and I would certainly want to be in support of it.

The other thing that I should mention as a farmer, and someone has, is crops. I do not think it has too much effect on crops. I can say in a lighter vein that the crops do not really worry about what time of day it is. They get up by the sun and they go down by the sun. Really and truly, it has no effect on them whatsoever. It is really the humans who tear around like fools all night, and that maybe affects us a little bit.

As a rural person, I know there are still some people out in the rural community who will not change their clocks. I know a gentleman who lives not far from me, for whom I used to do custom work. He said, "I will never change, regardless." He keeps his clock on standard time from one year's start to the finish.

I would think this is a very acceptable bill and I would hope the members see fit to support it.

Mr. Speaker: Do any other members wishing to share any comments in this debate? If not, the member for Bellwoods has five minutes.

Mr. McClellan: Thank you very much, Mr. Speaker. I may not take my full allotment.

I want, first, to thank those of my colleagues who have participated in the debate and to thank them for their very thoughtful presentations. I am grateful that there appears to be a fair measure of support for the proposal. What I have tried to do with this bill is to put forward an acceptable proposal, one that takes into account some of the concerns that have traditionally been raised about daylight saving time in different regions of the

province and which were raised when the matter came before the American Congress for a vote.

The original proposal that went to the American Congress was for an extension that would cover both March and April and it was modified at the request of the midwestern states. Ontario extends into the American midwest and it makes sense to try to design a proposal that is not only consistent with what the Americans have done, but also takes into account the reality of Ontario's own geography. I think the proposal that is here is something that everybody in all parts of Ontario can live with.

This is an idea whose time has come. It is an idea which everybody appears to want, but it is an idea which people have been reluctant to implement. The House of Commons voted for an extension of daylight saving time in May 1984, and still no action has been taken. As my colleague the member for Etobicoke (Mr. Philip) indicated, the time has now come to do it.

There is a consensus that the people in the province and in the country want it to be done. I say Ontario can take the lead. If Ontario exercises leadership in this matter, I have absolutely no doubt that the rest of the country will follow. The people's representatives in the federal Parliament have already spoken on the issue and, as I said, on May 4, 1984, the federal Parliament approved an extension of daylight saving time in principle.

The only other comment I want to make is that our American friends do politics differently to the way we do, inasmuch as lobbyists are registered in their assemblies and are required to identify themselves and to declare their interest in legislation. It is always interesting to know who supports the passage of particular bills. In the United States it is easy to find out.

It is very telling that the groups that supported the extension of daylight saving time in the US are listed and have been reported in the press as follows: the Amateur Softball Association of America, the Barbecue Industry Association, the Foodservice and Lodging Institute, the International Association of Amusement Parks and Attractions, and the Sporting Goods Manufacturers Association.

I point this out because it illustrates that we are talking about an extension of leisure time and recreational opportunity. That is really what this debate is all about. In the US it has been recognized by the industries that serve our leisure time and recreational needs that this is what the debate is all about, and that is what it is about here today.

We are trying to provide an opportunity to improve the quality of life of our people by extending their daylight hours after work and after school, when they have opportunities for leisure, enjoyment, relaxation and recreation.

I hope very much that the House will support this bill. I even have a broader aspiration that the government will allow this bill to proceed through its normal course and pass into law. We will wait to see what happens. I do not want to be presumptuous, but I thank my colleagues in the assembly for participating in the debate this afternoon.

Mr. Lupusella: On a point of order, Mr. Speaker: Can my colleague expand a little on the barbecue association he made reference to?

Mr. Speaker: That completes the allotted time for discussion of Bill 58. It will be dealt with further at 5:50 p.m.

DISCLOSURE OF ADOPTION INFORMATION

Mr. Ward moved, seconded by Mr. D. W. Smith, resolution 24:

That in the opinion of this House, the province of Ontario should ensure that adoptive parents and adopted children have access to nonidentifying information concerning the birth parents and the rights of access to this nonidentifying information, when available, should be guaranteed.

Mr. Ward: I will reserve some of my time for a wrapup. I am not certain that I will need to consume the full 20 minutes.

The issues that relate to the adoption process in this province involve a rather delicate balance of accommodating the rights not only of adoptees and adoptive parents, but also of the natural parents who, for whatever circumstances, had to relinquish their children. It is not an issue that divides any of us in this House on the basis of any partisanship, because in all reality it is an issue of natural justice and an issue of individual freedoms.

Ontario legislation for many years has entitled an adult adoptee to nonidentifying background information about his or her birth family through the children's aid society. This information could include such details as his or her biological heritage, medical information, ethnic and religious background, parents' education and occupation, height or colouring.

In a stated attempt to protect the relationship between the adoptee and his or her adoptive parents, the Ontario government, I believe, took a giant step backwards when it legislated in July

1985 the end of the disclosure of any information about birth parents.

This came in the face of research showing that openness of biological information improves the relationship between the adoptee and his or her adoptive family. On an individual basis, there could also be a curiosity or indeed a deep need for an adoptee to know about his or her birth background in order to feel at ease and complete within himself or herself.

4:40 p.m.

It is not unusual, for example, for a pregnant woman to want to know details of her family's medical history. When this legislation becomes effective, an adoptee will be denied this knowledge of himself or herself except on a medical emergency basis.

The same legislation, however, also retains the structure of the adoption disclosure registry. The registry is used to allow birth parents and adult adoptees to learn more about each other and to make contact if desired. If an adoptee and her mother both register, additional information is released; but if both parties are not registered, no disclosure of identifying information is made.

The registry is designed to protect either party if one chooses to maintain his or her secrecy or to protect present family relationships from the difficulties that disclosure may cause.

The regressive part of this legislation, however, was maintained. The registry requires the consent of the birth parent, the adult adoptee and the adoptive parents. In fact, the adoptee is never recognized as an independent adult in these circumstances. It is probably one of the few areas in which a person over the age of 18 has relinquished his or her rights to his or her parents. Adoptive parents can indeed thwart attempts by an adoptee to meet or learn more about his or her natural family.

Organizations such as Parent Finders Inc. have been lobbying for more progressive legislation requiring the registration of only the adult adoptee and her birth parents. Frankly, that is a change I would welcome.

The growing demand from adult adoptees, adoptive parents and indeed birth mothers to permit disclosure of adoption records presents a significant challenge not only to those involved in the adoption process, such as various agencies and children's aid societies, but also to us as legislators responsible for establishing policies.

The establishment of registries that enable adoptees and birth parents to make contact on a mutually voluntary basis has been a significant step forward. However, it also presents new

challenges to balance conflicting rights. The adoption process is a triangle, and we must recognize our responsibilities to all parties.

Perhaps much of the current interest in this issue has been triggered by another kind of baby boom. Seventeen years ago, when birth control, abortion and social acceptance for single mothers were not as widespread as perhaps they are today, more than 1,200 children, most of them infants, were placed by the Children's Aid Society of Metropolitan Toronto. By comparison, only 140 were placed in 1984. Many of the adopted children from that era are reaching the legal age. At 18, it is assumed that individuals have the right to make their own decisions and to be responsible for their own lives. For adoptees, this is not the case; they continue to be denied the fundamental right to know who they are.

For many years, the issue of adoption has been based on the myth that a child's environment is everything but has denied that genetics play a crucial role not only in physical and biological traits but also with respect to personality, interests and many other characteristics.

No doubt adoptive parents have legitimate concerns about the distress to which they can be exposed by their adopted children seeking out birth parents. Indeed, they should have some protection from this kind of distress and intrusion. However, once their adopted children become adults, the right to deny access to nonidentifying information should no longer exist.

As I said at the outset, there is a delicate balance among the rights of adoptees, adoptive parents and natural parents. One of the reasons I submitted this resolution for consideration by the House was how deeply impressed I was by the strong emotions expressed to me as a member of this Legislature and as a candidate in the previous election, when I learned of the amount of pain and strong feelings out there on the part of adoptees and adoptive parents caused by the move of this Legislature previously to deny access to and disclosure of even nonidentifying information.

Since submitting this resolution, I have taken the opportunity to look through many of the recommendations that Professor Garber has made. I am sure these recommendations will be weighed very carefully by the government and in this minister's consideration of amendments to the Child and Family Services Act.

I do have one concern, though. Professor Garber went the full length with respect to permitting disclosure and recommended that

disclosure be mandatory not only for nonidentifying information but also for identifying information. There can be no question that somebody who makes the decision to relinquish a child at some point, regardless of how noble the reasons may be, will carry a certain amount of pain and strong feelings for the rest of his or her life. No kind of legislation can alter this fact or do anything to lessen the kind of pain those individuals must bear.

Surely we have an obligation to protect those who have had to make that choice from having to face those circumstances at a point much later in their lives and relive the pain that went with that decision so many years previously. Consequently, I believe we should retain, in any legislation, the protection that is extended to natural parents who must relinquish their children to adoption.

However, it is beyond me how anyone can deny the right of children, once they have reached the age of 18, or even before then, to know the circumstances that led to them being available for adoption, to know something about the background of their birth parents and their physical and genetic characteristics, which may have a very significant impact on their lives.

I will reserve the rest of my time for wrapup. I appreciate the interest of those members who wish to participate in the debate.

Mr. Speaker: That will be a little more than nine minutes reserved.

Mr. Cousins: I thank the member for Wentworth North for bringing an important subject such as this to the House for discussion in private members' hour. It gives us a chance to start discussing it intelligently and honestly before full deliberations are given to Ralph Garber's report, which has now been released. The timing is good.

I also concern myself with what the honourable member has had to say. I want to be positive and believe his intentions are honourable, and I think that is the case, although his information on the existing legislation and on what is already law may not be as accurate as he is inclined to believe. A considerable amount of birth and medical information can be made available to adoptees. His sensitivity to the fact that it is a triangle and that there are different groups involved in this whole process is part of the balance that must be maintained.

4:50 p.m.

As I look at this ballot item before us, I believe it is most essential that an adopted person have access to medical information. In this regard, I am grateful to my colleague the member for York

Mills (Miss Stephenson), with whom I talked about this earlier this afternoon.

Having access to medical information is becoming all the more important because a number of hereditary diseases are becoming all the more commonly known to be genetically passed through. For example, there are some forms of cancer that are more sensitive to being passed through within a family; so that information is available. Phenylketonuria is another disease that is transmitted from mother to child, as are forms of heart disease, diabetes, asthma, arthritis, eczema and atherosclerosis.

There are many diseases, and adopted children increasingly will want to have access to information that pertains to their background so that medical science is able to prescribe the proper remedies for them to help ease their problems, make a cure and so the medical prognosis can be effected.

In the past, I believe the legislation has protected that right to information, because that kind of medical information is an essential to carry through that kind of data. I believe it is there, and I sense it is there. I sense the honourable member is going further in this bill when he is talking about some of those very vocal groups of adoptees who want to obtain even more nonidentifiable data, and I am going to get into that further.

I believe there has to be a balance provided and some information should be made available. There are some adopted children who are not happy with themselves or with their whole existence without knowing certain things. Somehow, we need to find a way of giving balance so there can be disclosure of that information to enable them to have the sense of being which is important to them.

I know there is going to be further discussion on this, and it is just a matter of having the balance in the legislation, because it raises a number of questions. If the intent of the member's ballot item were narrower, to provide for certain things, I could go along with it. I do not know, by virtue of such a brief ballot item—and they do it to us when we are putting this together, because we make it so concise it is hard to put everything in there—what is nonidentifiable information.

That is a question that is going to require far more discussion than Ralph Garber has given it. Some people would say it should include social data, cultural data, the educational background of the two parents, the recreational background of the parents and the reasons for relinquishing

the child. Could those be part of the nonidentifiables?

Nonidentifiable information might well become identifiable information if one lived in Kapuskasing or in some small village where people would say: "Well, that could be so-and-so, because this and this tie together." It could identify a secret that someone wanted to maintain. That is a difficulty with the definition of what identifiable or nonidentifiable information is going to be.

It is a very serious question that will have to be addressed as we get into this subject further. We must be clear on what is identifiable and nonidentifiable information. I am not necessarily clear, by virtue of the member's motion, that we know that at this point. I raise the question, but I do not have the answer; so it leaves me concerned.

The other concern coming out is the whole element of retroactivity. Unfortunately, I have to relate the member's resolution to the recent legislation of the Minister of Municipal Affairs (Mr. Grandmaître), who had a bill that was retroactive. We are looking at different laws. The Queen's Counsel were just removed retroactively. Suddenly, when one has a certain comfort factor about something, today or tomorrow, what happened then is not going to apply.

When one is dealing with adopted children, there are secrets that are part of the triangle the member talked about and there is a desire on the part of certain parties for secrecy. Therefore, the birth parents have a right to maintain an element of secrecy about certain aspects of that whole situation, because if it were to become public at a certain point in the future, it could change their position and understanding of themselves. I want to respect that privacy. I worry that as we start opening up the books and changing the laws, if we do not respect certain things that happened in the past, something serious will happen to the personal rights of those people.

With respect to future birth parents, I worry that as we start opening up the information, this whole trend the member pointed to in the decrease in the number of children who are available for adoption is going to increase and there will be even fewer children available for adoption. A mother who might be considering not having an abortion but going through with the pregnancy might decide: "I am not going to be able to keep this a secret. I will therefore do something that is not easily decided upon."

I worry about certain birth parents. We should be encouraging more of these accidents of nature

to fulfil themselves. There should be a full pregnancy, if that can be the case, but let us not turn it off by publicizing certain things. That will happen if we do not fully understand what it is we want to publicize, what is identifiable or nonidentifiable information.

I look at existing birth parents. They are a very quiet group that makes phone calls anonymously. They do not have neon lights proclaiming their own rights. We hear from the adopted children who are making their pleas known for more information. The existing birth parents are concerned that their privacy be maintained, although they are glad to see the medical information and other data being made available.

I genuinely think our law, in the future direction we take as a Legislature, has to maintain a delicate balance that respects the rights of the birth parents as well as those of the adoptees and the adoptive parents, the triangle we are talking about. I do not know how we are going to do it, but it can be handled. Let us not rush into it. Let us be careful. Let us have a commonsense attitude and at least consider all the ramifications. Let us not be pushed by one group that does not understand the delicate nature of the other group I am talking about.

Another area has to do with those who are put up for private adoption and how they are handled. It pertains to the law versus those under the children's aid societies; that is, the rights in a private adoption situation versus the CAS situation. There could well be situations that are subject to further investigation. We should at least know if there is an impact.

Regarding the adoptive adult, when I look at the ballot item, I do not know what the member is talking about, who the adopted children are and who the adoptive adults are. Who exactly is an adopted child? Who exactly is an adoptive parent? Does the adopted child have a different right? I do know what an adopted child is. Does the member mean they should have that information before or after 18? I think they do, from what he said in his address, but this kind of thing will have to be looked at and analysed very carefully.

I sense there is a concern by members of our Legislature and by the public at large that we look at this, and the member has done us all a favour by having us look at it further today.

5 p.m.

Mr. R. F. Johnston: In rising to participate in the debate, I want to thank the honourable member for presenting the resolution to the House. I am pleased to support it, but not without

qualifications; I will be sure to state those, as I am sure he is aware.

I apologize for not being able to be here for the full debate as I was busy seeing how we legislators are going to chastise the banks for offending privileges, yea or nay. I have not been able to be here to listen. I hope, therefore, I am not presuming too much in some of the things I say.

First, we should not be dealing with this in 1985. In my view, there is no logical reason why at this very late date we should be having to consider whether nonidentifying information should be made available as a matter of right to adopted children in Ontario. We are doing it only because of the rather erratic and incomprehensible changes made to the Child and Family Services Act by the former Minister of Community and Social Services, Mr. Drea.

The standing committee on social development seemed to have a consensus that we should move in the area of nonidentifying information, especially as it affected medical records, that there had been an oversight and that we needed greater access to information. We looked at the information the Metropolitan Toronto Children's Aid Society was already providing. It pushed the law back to its very boundaries, and probably past them, as to what was allowable under the old legislation. We had at least come to a consensus.

Then, all of a sudden last fall, the minister, Mr. Drea, came into the House with changes to the Child and Family Services Act that took nonidentifying information out of the old Child Welfare Act and did not put it into the new Child and Family Services Act. It now is harder than it was one and a half years ago for adopted children to get information that might be very important to them in the future. That is absolutely absurd.

Other states and nations around the world are moving to open registries so that as soon as they are adults, people can actively find information put there many years before. They can discover their own roots and decide whether they wish to pursue them as far as to have meetings with their birth parents and that sort of thing. In this province we are not only incapable of dealing with that, but we have gone backwards in releasing nonidentifying information.

As a result of the rightful political furore raised after that act by Mr. Drea, Dr. Garber was asked to make recommendations as to what should be done. I am not sure what the member's position is on the Garber report. I have great fears of the views of the present Minister of Community and Social Services (Mr. Sweeney) on this matter.

He looks more and more each day like a reincarnation of the former Minister of Community and Social Services, Mr. Drea. I am inclined to send him a Daily Racing Form and a rumpled jacket so that he will be in the proper costume in the Legislature, given some of the responses he has made lately on social policy.

Mr. Gillies: Wacko.

Mr. R. F. Johnston: He might start calling me wacko, as the member for Brantford reminds me. That was one of the favourite terms the former minister had for me.

The things Dr. Garber talked about in his report go further than the resolution of the member for Wentworth North. I regret that, because I would have thought the member would have had the time in the past while to borrow a bunch of the information Dr. Garber furnished us with and say: "I endorse what he is saying. The active registry is a wonderful idea. We should be going for that and not just nonidentifying information. All the sections on nonidentifying information in the Garber report should be part of the new legislation in Ontario."

The member should be saying that he feels authority to release that information by children's aid societies is a positive thing, that it should be done systematically and that he does not agree with the Minister of Community and Social Services who some months ago—I have the record of it here, but I will not quote him directly—said in the social development committee that he did not think we could open nonidentifying information for past adopted children and that we could do it only from this point on. I am sure the member for Wentworth North does not agree with the minister's position.

The minister did not feel even past nonidentifying information should be opened up to people, because there were contracts between birth parents and societies for adoptive parents. However, those contracts are not signed by adopted children, whose rights are the ones that are being abrogated. The prime right is with the children who have the right to know what their roots are, as Dr. Garber says so wonderfully in his report.

As our primary consideration, we should not be looking to the rights of the birth parents and certainly not to the rights of the adoptive parents in this matter. At the age of majority, children should be able to have access to information that will give them not only nonidentifying information about themselves but also very identifying information about who they were and where they came from, so that they can fulfil their lives.

I think it is a great irony that this week on the CBC program Morningside, the radio drama is on this very question. It follows through the reunion of a woman who, at 44, found out she was adopted and the trials involved in that, not just because of hampering legislation but all the emotional travails as well.

I hope when the member sums up at the end, he will indicate whether he agrees with all the recommendations in the Garber report, whether he thinks that is the direction in which we are going, and tell us what he is going to do with the Minister of Community and Social Services.

In 1978, we had real difficulty coming to a position on this and therefore we came up with this compromise which helps no one. It is time we in Ontario moved to an active and open registry and allowed not just for nonidentifying information but all the other things, including the wonderful special rights that were put into the Garber report for native kids, given what we have done to Indian children in this province and the kind of cultural genocide in which we have all participated.

The member knows he has my support as far as his present resolution goes. I hope in his concluding remarks he will tell us exactly how we are going to force the member for Kitchener-Wilmot, the new Minister of Community and Social Services, to move quickly on the Garber report, and not hold it back but at last move into the 20th century in Ontario. That is something the past Tory government determinedly did not want us to do, as it maintained us in the Victorian era of government-father knows best where the children of this province do not have a right to know their own roots.

Mr. Offer: It is indeed a pleasure to rise in support of this resolution. As we know, many resolutions are brought forward by many members, covering a wide variety of subjects. All are very important, indeed very responsible, but I doubt any are more important or responsible than the resolution at hand.

In discussing this resolution, I believe it is absolutely necessary to have regard for the totality of the issue. It is incumbent upon us not to discuss it in a piecemeal fashion. This issue must be discussed from the perspectives of the adopted child, the adoptive parents and the natural parents. Not to do so would be a disservice to this resolution and all those who may be affected.

In speaking in support of this resolution, I reflect on some of my personal experiences, indeed my experience as a lawyer who has been involved in the adoptive process.

Mr. Cousins: Did the member get his QC?

Mr. Offer: Without the QC.

At the outset, it cannot be stated or emphasized enough that the process of adoption is one of the most personally trying experiences one can go through. It is necessary to remember the adoption process is one that strikes at the very essence of the participants. As a solicitor who has been somewhat involved in this process, I would say a good case can be made that no better service can be rendered. On the one hand it is most gratifying, but on the other it is most demanding.

It is impossible to describe properly in words the feeling of placing a child with an anxiously waiting couple, ready and eager to be the best possible parents they can be. Indeed, it is impossible to describe properly the joy in reporting to those parents when a final order of adoption is obtained and that child is absolutely and irretrievably theirs.

5:10 p.m.

However, it is also impossible to describe in words the emptiness in not being able to place a child, or when, after placing a child with adoptive parents, one has to return that child to the natural parents, as is their right within a legislated time period. Indeed, not many things could be worse. The scars of having to do that never go away.

From the perspective of the adoptive parent, it is important to have some sense of the anguish of having to adopt, of having to submit and subject oneself to the most personal of experiences, of having to discuss why you wish to adopt, of having to prove your worthiness to be an adoptive parent through the use of field worker reports, of having to wait for that telephone call that a child is available, of waiting with no expectation, with only some vague hope.

It is important to realize that prospective adoptive parents, whether adoption takes place privately or through the children's aid society, are put on a waiting list with others. They are told this list may be five years in length. They are told to call a lawyer, a doctor or whomever to try to obtain a child legally through private means in an attempt to avoid that interminable wait. There is no guarantee that the five-year wait will not be a six-year wait or longer—for ever.

From my experience, it is important to understand truly and fully from the adopted child's standpoint the necessity of acquiring information about oneself, one's origins and one's natural family. This does not apply to each adopted child; it may be very well that not every adopted child knows he is adopted. However, it

is important to realize that not all adopted children wish to have this information or feel the need to have this information. We are not talking about forcing information upon anyone. What we are discussing is providing that information, when required, in an efficient, feeling and caring way.

The question that comes to mind is why. Why would an adopted child request or need nonidentifying or, indeed, identifying information? What compulsion is this? The answer, from my perspective, is somewhat simple: Who are we to decide? Who are we to determine whether a reason is valid or invalid, well founded or ill founded? We do not have that right. We have the right to refuse to give that information, but we do not have the right to decide whether the reason for wanting this information is proper, whether the reason falls within some perceived parameters of correctness.

When we discuss nonidentifying or identifying information, we are largely making a distinction that does not exist in the minds of the adopted children. In his report, Dr. Garber indicates a distinction between nonidentifying and identifying information. He indicates that nonidentifying information should be defined as any information on the background and health of the participants to an adoption, including circumstances surrounding the relinquishment of the child for adoption, provided such information does not reveal the identity or location of the birth parents, birth relatives, adoptee or adoptive parents.

He indicates that identifying information be defined as information which discloses the original surname of the adoptee but not the actual identity of the birth parents, information contained in the adoptee's general statement of live birth, and information which reveals or is likely to reveal the identity or location of any of the participants to an adoption, including birth parents, birth relatives, adoptees and adoptive parents.

I, for one, accept this form of definition, but I wish to indicate that this definition, although acceptable, is of small concern to the adopted child. To the adopted child there is no discernible difference between nonidentifying and identifying information. There is only information; a linkage with one's past; a sense of where that person came from; the filling of a void; trying to make sense of why one acts, thinks and feels the way one does; bridging the genealogical gap.

Much is made of the fact that in child abduction cases and in missing-person cases, in

general a great deal of the anguish for parents is in not knowing; much is also made of how that lack of information becomes the single greatest factor in a living nightmare. I do not for a moment in any way equate that with this resolution, except to indicate it is the knowledge of what has transpired in the past that is so very important for the present and future.

We must decide whether this information is proper for release, whether safeguards are to be imposed, whether the rights of one who wishes information are greater than the rights of those who do not wish that information given.

I have stated that, to many, there is no difference between nonidentifying and identifying information. This resolution speaks to nonidentifying information and the right to its dissemination.

We have an obligation to give this information. We have the obligation to fill the void of one's past as well as we can. I submit, with proper safeguards for the rights of others, this must and should apply—it is our responsibility to make it apply—to identifying information.

Mr. Baetz: I am pleased to speak to this resolution. I have no problem whatever in supporting what I believe to be the general intent, and I stress "general" intent, because the resolution is lacking in specific and precise language.

It was not at all clear in the resolution whether it addresses itself to sections 157 and 158 or to the far broader subject. I know the member who introduced the resolution indicated he had sections 157 and 158 in mind, but we are voting on a resolution, not on information that is introduced over and beyond it.

There is no doubt in my mind about the desirability for adoptive people to have easier access to nonidentifying information about their natural parents. I agree with the view of the eastern branch of the Ontario Association of Professional Social Workers, of which I was a member for a long time, and those of other concerned citizens—

Mr. Wildman: Was the member a social worker?

Mr. McClellan: It must have been a long time ago.

Mr. Baetz: Even long before, when the member was still wet behind the ears.

I agree with groups such as Parent Finders Inc., which are interested in this issue, that the physical and mental health of adoptive persons is very often dependent on knowledge of information regarding their natural heritage.

I also agree the provisions of sections 157 and 158 of the act respecting the protection and wellbeing of children and their families unduly restrict access to this type of nonidentifying information. I feel these sections would be especially offensive to adult adoptees, in that they would provide legal powers to the adoptive parents even if the adult adoptee and his or her natural parents agree to the flow of information.

However, as I noted before, my problem with supporting the resolution is that it is expressed in such general, sweeping and vague terms. Because of that, it immediately raises a whole range of questions about what is really meant in the resolution and what is involved if we were to support it.

For example—this has already been referred to but I want to place my own feelings on the record—what is meant by nonidentifying information? Especially, what guarantees are there that the information provided in every circumstance remains nonidentifying and does not lead inadvertently, and in some respects perhaps disastrously, to identifying information?

As we know, what might be nonidentifying information about one's natural parents in a large urban centre could very easily become identifying information in smaller towns or rural areas where virtually everyone knows not only everyone else, but everything about everyone else.

Another even more important question raised by the language of this resolution deals with its reference to adoptive children. Does this resolution really mean what it says; namely, that adoptive children, i.e. those under legal age as well as those who have reached adulthood, should have access to information on their natural parents?

5:20 p.m.

If the resolution means what it says, that adoptive children as well as adoptive adults should have equal access, I suspect it would be opposed by many, including myself. Surely adoptive children who have reached legal adulthood should have the privilege of access to information on their consenting natural parents, which information should not be extended in a similar fashion to dependent children or those under the age of majority.

Another cause of concern about this resolution is that it speaks of rights, such as rights to access for children and sweeping access as a matter of right, without any circumscribing conditions. That is something I cannot support. While I would not oppose access as a guaranteed right under certain clear circumstances, I would

hesitate to support such rights expressed in vague and sweeping terms.

Extending rights through legislation is a very important matter, especially when it relates to the rights of one individual and his or her relationship to other individuals or groups. In such circumstances, it is essential that we fully understand and remember that one can never extend rights to one person without taking away or impinging upon the rights or privileges of others. In this case, extending rights to adopted children or adults does impinge on the rights of the other parties involved, the natural and the adoptive parents.

Surely it is not illogical to assume that when adoptive parents undertook full responsibility for the care, protection, support and development of an adopted child, they were also provided with certain parental rights, at least until the child has reached the age of majority. Conversely, the natural parents, in surrendering total responsibility for the care and rearing of the child, surrendered some of their parental rights regarding their relationship to that child, although the rights of the child in these circumstances should be paramount. I think we would all agree on that.

Nevertheless, these rights too must be balanced with those of the adoptive as well as the natural parents. I heard the honourable gentleman who introduced this resolution talk about the triangle, I believe, and I certainly agree with that concept. It is particularly around this whole question of the respective rights of the child and the relationship to the adoptive and natural parents that the full complexity of this entire issue began to emerge.

Because this issue is such a complex one, and certainly more so than had been envisaged when sections 157 and 158 were drafted, it was decided by our administration—and I want to remind the members it was the task of the then Minister of Community and Social Services, Dr. Elgie—to commission Dean Ralph Garber of the University of Toronto school of social work to carry out his thorough analysis of all the factors involved and present a series of recommendations based on his study.

As we all know, Dean Garber has now presented his report and recommendations to the Minister of Community and Social Services. That report reflects and confirms the many complexities and difficulties in recommending a course of action that is in the common best interests of the adopted person and the adoptive and natural parents. Not surprisingly, the present minister has not agreed to accept any or all of the

recommendations immediately, but rather has promised further study of those recommendations.

We on this side of the House look forward to whatever proposals the minister will be making and will at that time have a good deal more to say on the subject. While at this point I can only speak for myself, I believe we should press on to make the necessary changes to the current legislation and provide for greater access to information under certain circumstances, but with clearly described circumstances and conditions.

Above all, we should not fall into the trap of feeling that support by this House of this very vague resolution before us will encourage further delay of this important legislation, which needs to be enacted and certainly should be, to change sections 157 and 158.

I will therefore oppose the resolution, but not because I am opposed to its very general objectives, which, as I say, have been expressed in too vague a fashion to be useful; I will oppose it because I am convinced a far more effective course of action for this Legislature to take is to deal with the minister's recommendations based on the Garber report, which I hope will be forthcoming promptly and will be acted upon immediately.

Mr. Ramsay: I rise in my place today to speak in favour of this motion. I would like to compliment the member for Wentworth North on his initiative in tabling this resolution. Unlike the previous speaker, I do not feel it is such a sensitive topic and issue that we have to move slowly on it.

I do not think at all that what is being proposed here today is necessarily all that vague, nor do I believe, as the previous speaker, the member for Ottawa West, states, that when you give rights to one person, you necessarily take them away from another. In this case, we are talking today only about nonidentifying information. We are not impinging upon the adoptive parents' rights. If it is nonidentifying, then I do not think anybody's rights have been impinged upon.

I defend this resolution as a good start towards further amendments and reforms that we will have to make. Many of them have been suggested in the Garber report, but the report has tackled such a sensitive and complex issue that it is going to take a while. Dealing with the resolution before us today may be a good start on the road to these reforms on the whole package of adoptive rights for parents and children.

This bill relates to the previous private member's bill that we discussed today in that they both bring light to this world. This type of resolution in particular will shed some light on the darkness adopted people have been living in, not knowing their heritage, their parentage, where they come from or what their natural parents' health records are. Lacking that information, there are many doubts in the adopted child's world about his future, how he is going to exist, how his parents lived on this earth, at what age they died or if they are still alive, and how that relates to his health, life and lifestyle.

Especially today, with the ongoing research we have on many of the diseases that plague the human race, we know that certain diseases can be affected by choice of lifestyle, diet, exercise and things such as that. It would be most helpful to the family doctor, to the child with his adoptive parents and to the adopted child as an adult to know about his heritage and his natural parents' health records. Then one could adopt a life that was the most beneficial to the genes that person was carrying around. That is the point here. The adopted child does not know what genes he has inherited and what potential he has in life, since there are many things that can be done with modern medicine.

The Garber report was based on the strong conviction that adoptees have a right to know their origins and have a right as adults to receive information about themselves. I do not think we can deny that right today in 1985. As the previous speaker in my caucus, the member for Scarborough West (Mr. R. F. Johnston), pointed out earlier, in 1985 we must shed light on this darkness that still befalls adopted children.

I am very pleased with the Garber report as it came out, because it questions the old assumptions on which we have based our past and previous regulations. Those assumptions of secrecy must be examined thoroughly. These will be looked upon in time, as we as a Legislature and different committees examine the Garber report.

5:30 p.m.

This is a very extreme and complex issue and some of the recommendations in this report have far-reaching implications. They are going to affect many Ontario citizens, as the previous speaker mentioned. Future adopted children and adoptive parents are going to be very interested in what carries on. I am on the side where I would like to see this taken further. I feel we should be looking at identifying information, but solely on the basis that both parties agree.

I do not think we can be imposing this sort of identifying information upon one party when both parties are not in full agreement. This is very important and it is something we are going to have to come to grips with. This resolution today does not talk about that. I do not really see how any member in this House in this day and age could not be in favour of this resolution.

I support the member for Wentworth North and I hope his resolution passes today. I also hope he can persuade his caucus, since it is the government side, to bring forth some legislation. As I said before, it is going to be some time before we see any type of legislation derived from the Garber report. This might be a first step in placating some of the demands of the people involved in bringing these reforms to adoptive situations.

I support this bill. I would personally appreciate the light this legislation would shed upon this issue, for I am one of those people in the dark today.

Mr. Knight: I am pleased to be able to rise in support of the resolution of my colleague the member for Wentworth North. I have to agree with him.

I must first apologize that I was not able to be here earlier in the afternoon to listen to the comments of other members of the House on this, an issue which is very dear to my heart. I will indicate to the House my reason for saying that in a few moments. I spent the afternoon listening to the oratory of our Attorney General (Mr. Scott) in the justice committee and that, as we know, is the kind of oratory for which the Attorney General is well known. It was a delight to listen to.

I have to agree with the member for Timiskaming (Mr. Ramsay) that the resolution brought forward by my colleague is a first step. I am looking forward to the discussion which I hope will be coming to this House later on the Garber report. I hope there will be some very positive amendments to the act.

The last change we had regarding the disclosure of information to those parties in an adoption process was in 1978, and that was simply to allow for the dissemination of nonidentifying information. The problem with that is the information was only to be disseminated if both the birth parent and the adoptee registered, which was a hit-and-miss process at best, and only if the adoptive parents agreed to it.

That created an awful lot of confusion in the courts and in the children's aid societies. It left us with the situation we are in now, where it is very

necessary for us to have some changes made so people should be given access to information regarding their birth-family history. It is necessary that they be allowed to obtain that information.

I would like to suggest, however, that my colleague's motion does not go as far as I would like to see the supplying of that information go, in that the resolution indicates only nonidentifying information. I agree that is necessary information to be given to adopted children and to adoptive parents, but in the latter instance, only when it is necessary for medical purposes and that information then should be given to the family physician. I do not think it is necessary otherwise for the nonidentifying information to be given while the adopted child is below the age of maturity.

Once the adopted child is an adult, I believe the nonidentifying information should be given to the adopted child without any hesitation whatsoever. Indeed, identifying information should also be given. I indicated earlier my reason for wanting to support not only my colleague's resolution, but also the idea that identifying information should be made available to the birth parent and to the adopted child.

It is something that has not affected me personally, but it has affected my family in that my wife is an adopted child. I recognize that there are some people who say they are happy with their particular circumstance and do not wish to have any information regarding their family history, but there are instances where there are triggers that cause an adopted child to want to know his family history. In our case, when my wife was expecting our child, the thought crossed her mind: "Is my child going to be healthy? What kind of family medical history do we have?"

I can assure members this created an awful lot of anxiety with respect to my wife's concern. We were not able to obtain that information. We were very fortunate, however, because of some experience I have had, not only in being able to obtain that nonidentifying information, but in being able to locate my wife's birth mother. My wife's family has now been extended to the point where she has a much larger family than I had myself, and it has contributed immensely to a feeling my wife has expressed that she now knows her roots, a feeling she would not have been able to experience otherwise.

There were some problems after she was able to meet her birth mother. That was seven or eight years ago. I think there are problems in every

family situation. She was able to overcome them. She and her mother get along extremely well. This past summer she was able to meet her siblings. As I indicated, this has extended her family to the point where she now has a very large family and my son now has a family history as far as the maternal side of his family is concerned.

This is a right that every adopted child should have. It is something we should provide for in this day and age through our legislation. All of us here in this House know that as parents, once our birth children become adults, we do not have the right to interfere in their lives. I wonder why we as a Legislature should give adoptive parents the ability to interfere in their children's lives in that they have to agree before the adopted child can obtain the necessary information.

I am looking forward to the debate on the Garber report in the future and I hope to be able ultimately to see some very positive changes within the act.

As far as the resolution is concerned, although I have some concerns that it has not indicated the kind of information that should go to adoptive parents, I agree with the general thrust of the resolution. I hope it will lead to further discussion in the House and I will be voting in favour of the resolution.

5:40 p.m.

Mr. Speaker: The member for Wentworth North has nine minutes remaining of his time.

Mr. Ward: I would like to begin by thanking all the members of this House who participated in this discussion. I would like to move through each member's presentation and answer some of the questions that were posed.

From the outset, the resolution put forward was not precise. That was deliberately done. I intended to enunciate what I considered to be a rather fundamental principle as it relates to the adoption process. I did not presume to put legislation before this House or to attempt in any way to write legislation. I wanted to convey to the Minister of Community and Social Services the opinion of this House on the basis of a general but fundamental principle in regard to the rights of adopted children.

I concede to the member for York Centre (Mr. Cousens) that I am not as familiar as some members of this House with the specifics of the legislation. Many of them have had the benefit of taking part in the debate over the past year, particularly in recent times as this legislation had moved to the standing committee on social development and they were fortunate enough to

be recipients of input from their constituents and from others.

In response to the question of what nonidentifying information is, I believe the thrust of Professor Garber's report did indicate a clear definition, which may not be perfect but which is quite a broad definition. I will quote for the member the definition in the report:

"Nonidentifying information is that which does not disclose the identity of the adoptee, birth parents, birth relatives, or adoptive parents or their respective locations, or any other institutional identification which might lead to identifying the individuals listed. All other information of a social, medical, genetic, cultural, recreational, vocational, or personal nature should be considered as nonidentifying."

I do not pretend for a moment that it is a perfect definition or that we could ever arrive at a perfect one.

With regard to the consent of adoptive parents, they have as much right as natural parents, but I believe when their children reach the age of 18, permission should not be required. In regard to whether information should be available to adopted children under the age of 18, I concur that the adoptive parents should have to participate in issuing a consent. I do not think that differs very greatly from any situations applying to children.

I was particularly pleased that the member for Scarborough West participated in the debate. In the short time I had to look at some of the discussions of the past, I read some of his previous comments with interest. I have a high regard for his opinions on such issues. I said at the outset that I did not think the purpose of private members' hour was to get into the discussions that are highly partisan. For a moment, I thought it was moving slightly that way. It may be a carryover from some distress the member may have experienced during question period. I will leave that as it is.

I did appreciate the background in some of the references to previous ministers and their input. I am not familiar with Mr. Drea. I understand he has gone to greener pastures and cannot make any comments about his input into this process.

I want the member to know that I wholeheartedly support in their entirety Professor Garber's recommendations regarding nonidentifying information. I respect the member's views and those of my colleague the member for Halton-Burlington (Mr. Knight) that there is a strong sense to go even beyond nonidentifying information. As the member indicated in his opening

comments, this is 1985 and surely we should not have to debate whether nonidentifying information should be available.

This resolution gives the House an opportunity to convey to the minister the feeling of this house that nonidentifying information has to be opened up and made available. I know the minister to be a man of profound sensitivity, and I am sure he will weigh the opinion of this House very carefully.

I found the comments of my colleague the member for Mississauga North (Mr. Offer) most interesting. They come from the perspective of an individual who, as a lawyer, has been involved in the adoption process many times. He did not indicate to the House that for a number of years he was on the list of parents waiting to adopt a child. He has indicated to me personally how frustrating the whole process is. I found his comments interesting and helpful.

I think I have responded to much of what the member for Ottawa West (Mr. Baetz) said. I apologize that the resolution is not precise. As I indicated, it was not my intention to come here today to try to write legislation. I do not think my experience to date would enable me to address the specific wording that might be suitable.

I want this House to convey its feelings to the minister in terms of the general principle that nonidentifying information should be guaranteed. That is the basic premise on which we should go forward. I do not doubt for a moment that it will be a complex and difficult issue to address through legislation, but surely if it is the opinion of the House that the legislation should incorporate that, then so be it and let us go on from there.

I concede that Dr. Elgie, the former minister, showed a tremendous amount of foresight and wisdom in commissioning the Garber report. He deserves full credit for taking the initiative to see that some of the obvious problems that had arisen from the amendments to the legislation could be headed off at the pass by further input and refinement through an independent inquiry.

I also thank the member for Timiskaming for his input. As he appropriately indicated, this resolution is intended to be the start of a process and in no way attempts to be a conclusion. I accept that my colleague the member for Halton-Burlington may disagree in terms of the resolution not going far enough. I conclude by saying that the resolution is a start, and I urge the members to support it.

5:50 p.m.

TIME AMENDMENT ACT

Mr. Speaker: Mr. McClellan has moved second reading of Bill 58.

Motion agreed to.

Bill ordered for committee of the whole House.

DISCLOSURE OF ADOPTION INFORMATION

The House divided on Mr. Ward's motion of resolution 24, which was agreed to on the following vote:

Ayes

Allen, Andrewes, Barlow, Bossy, Brebaugh, Bryden, Callahan, Charlton, Cooke, D. R., Cooke, D. S., Dean, Epp, Eves, Ferraro, Fontaine, Fulton, Gigantes, Grande, Grier, Guindon;

Haggerty, Harris, Hayes, Henderson, Johnson, J. M., Johnston, R. F., Knight, Lane, Laughren, Lupusella, Mancini, Martel, McCague, McClellan, McFadden, Miller, G. I., Morin, Morin-Strom, Newman, Offer;

Partington, Philip, Poirier, Polsinelli, Pouliot, Ramsay, Reville, Reycraft, Sargent, Scott, Sheppard, Shymko, Smith, D. W., Smith, E. J., South, Stevenson, K. R., Swart, Timbrell, Treleaven, Turner, Villeneuve, Ward, Warner, Wildman, Wrye.

Nays

Baetz, Cousens, Gregory, Marland, Pierce, Pollock, Stephenson, B. M., Taylor.

Ayes 65; nays 8.

Mr. Timbrell: On a point of order, Mr. Speaker: The member for Sudbury East (Mr. Martel) will be pleased to know I was aware of what I was doing. I was pleased, but the result of it was that, with the comments or the noises being emitted by certain members, it sounded more like a sporting event than the Legislative Assembly of Ontario. I stood as one who voted with those who were making this ridiculous sound.

Mr. Speaker: Order.

BUSINESS OF THE HOUSE

Hon. Mr. Wrye: I want to indicate the business of the House for the remainder of this week and next.

Tonight we will debate the interim report of the select committee on economic affairs.

Tomorrow we will continue with the redistribution debate.

On Monday, December 16, in the afternoon we will debate the Progressive Conservative no-confidence motion standing in the name of the Leader of the Opposition (Mr. Grossman), with a division at 5:45 p.m.

On Monday evening and continuing through Tuesday, December 17, afternoon and evening, and Wednesday, December 18, in the afternoon, we will consider business in the following order as time permits, with any divisions necessary stacked to 10:15 p.m. on Monday, Tuesday and Thursday: committee of the whole on Bills 45, 46, 47, 48, 49, 50 and 51; the interim supply motion that will be placed in the Orders and Notices tomorrow, and second reading and committee of the whole, if required, on Bills 17, 43, 11, 12, 13 and 22.

On Thursday, December 19, in the afternoon we will consider private members' business standing in the names of the member for Scarborough Centre (Mr. Davis) and the member for Dovercourt (Mr. Lupusella), or legislation not completed on Wednesday, and continue legislation on Thursday evening. Additional legislation, if needed, will be scheduled as agreed to by the three House leaders.

Business for Friday, December 20, will be announced at a later date.

I want to repeat that we will be sitting on Wednesday, December 18, in the afternoon.

The House recessed at 6:04 p.m.

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Laughren, F. (Nickel Belt NDP)
Mackenzie, R. W. (Hamilton East NDP)
Martel, E. W. (Sudbury East NDP)
McClellan, R. A. (Bellwoods NDP)
Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue
(Brant-Oxford-Norfolk L)
O'Connor, T. P. (Oakville PC)
Offer, S. (Mississauga North L)
O'Neil, Hon. H. P., Minister of Industry, Trade and Technology (Quinte L)
Partington, P. (Brock PC)
Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental
Affairs (London Centre L)
Philip, E. T. (Etobicoke NDP)
Pierce, F. J. (Rainy River PC)
Pope, A. W. (Cochrane South PC)
Rae, R. K. (York South NDP)
Ramsay, D. (Timiskaming NDP)
Runciman, R. W. (Leeds PC)
Scott, Hon. I. G., Attorney General (St. David L)
Smith, D. W. (Lambton L)
Swart, M. L. (Welland-Thorold NDP)
Sweeney, Hon. J., Minister of Community and Social Services (Kitchener-Wilmot L)
Timbrell, D. R. (Don Mills PC)
Turner, J. M. (Peterborough PC)
Ward, C. C. (Wentworth North L)
Warner, D. W. (Scarborough-Ellesmere NDP)
Wildman, B. (Algoma NDP)
Wrye, W. M. (Windsor-Sandwich L)





Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Thursday, December 12, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, December 12, 1985

The House resumed at 8 p.m.

REPORT

SELECT COMMITTEE ON ECONOMIC AFFAIRS (continued)

Resuming the adjourned debate on the motion for adoption of the recommendations contained in the interim report of the select committee on economic affairs—Ontario Trade Review.

Mr. D. R. Cooke: If I may assess the usefulness of some of us in bringing about necessary changes for the good of our province and for the good of our country—and I speak primarily of those of us who are new to this Legislature—the work done to prepare the interim report of the select committee on economic affairs has been a work of joy, a work of real value, because we are, in my opinion, the only policymakers in the country who have had lengthy and consistent open hearings on the very important subject of bilateral trade options, particularly as they concern the United States.

The period from July 10 to the presentation of this report on November 7 therefore seems to me as chairman of this committee to have been a very worthwhile period and one that overshadows the sitting through of the turgid, meaningless and ill-prepared debate that seems to go on in this House on so many other subjects.

Members of the committee have worked very hard on the report, and I speak particularly of the eight members of the committee whom I was fortunate enough to have for the full 37 working days of the committee. The very professional work of our committee clerk, Douglas Arnott, made things function extremely smoothly, whether it was in the day-to-day hearings, in his impeccable arrangements for travel when we had to travel or in his assistance in the preparation of the report.

When I was assigned the chairmanship of this committee, I did not have any experience of this nature. There were those who suggested to me that it would be necessary to set up a very elaborate staffing situation, including consultants, who seemed to be available by the dozens, having graduated from the former government here as well as the former government in Ottawa.

There were those who even said that management consultant firms had been hired in the past and that perhaps they should be hired for chores of this sort.

I am pleased to report that I was able to staff the research department entirely with Fernando Traficante, who was seconded from the legislative library and thus worked for the committee at what was essentially no cost to the taxpayer. Mr. Traficante's analysis of the thinking process of committee members was excellent and, needless to say, it is his firm hand that is seen in the fleshing out of all the recommendations of the committee members.

I want to speak particularly as well about my vice-chairman, the member for Kent-Elgin (Mr. McGuigan), who assisted the committee by taking a more extensive tour of the US than the rest of us and by bringing this urban member and other urban members of the committee up short time and again by relating matters to the state of hogs, strawberries, wheat, logs or eggs. The committee was never able to lose that perspective, because it was always there and it was always thoroughly thought out, perhaps much more thoroughly thought out than is often the case. It was always very clear to me where we should stand in these matters after we heard from the member.

I was also delighted with the diligent hard work of the three novice government members of the committee, my seatmates the member for Halton-Burlington (Mr. Knight), the member for Wellington South (Mr. Ferraro) and the member for Downsview (Mr. Cordiano). We four became real soulmates in this task.

Another fresh face on the committee was the member for Eglinton (Mr. McFadden). If I may single him out, his diligence was coupled with a real knowledge of business law that I did not possess. He brought that to bear time and again through his personal experience in his practice.

The member for Prince Edward-Lennox (Mr. Taylor) needs to be singled out. He was perhaps the dean of the committee. I am certain he knew from the beginning that a lot of our toiling in the summer months might not be appreciated by the folks back home in the sense that it would not be terribly practical. He did not need to do that work

and yet he did it. Some of us who were novices perhaps did think we were going to be appreciated by the folks back home. I have not said this to him privately, but I had an image of the member for Prince Edward-Lennox that was built up over years of following him in the media, and I found that he is in person a much more sensitive and extremely aware person than his media image shows.

I would also like to say that the information and debate brought to bear by the member for Hamilton East (Mr. Mackenzie) and the member for Sault Ste. Marie (Mr. Morin-Strom) were extremely valuable. In particular, the member for Hamilton East brought the perspective of his background as a union organizer to bear time and again on many of the issues the committee was addressing.

The first and foremost problem that must be addressed is that Canada's share of international wealth is not increasing. Canada's standard of living is not growing at the rate it should be. Unless something is done other than maintaining the status quo, we may be in for tough times. I am not certain I speak for the New Democratic Party members when I say that, but I know that I speak for all the rest of the members of the committee, and I think to a large extent I speak as well for the New Democrats in that their dissent really refers to a difference about what must be done.

Canada has the slowest growth in high-technology industries of the seven major industrial countries in the world. Manufacturing that has been the lifeblood of employment since the Industrial Revolution does not look to be the lifeblood of employment in the future. These are basic things we must come to grips with.

It may come as a bit of a shock to the academics who appeared before us, in particular such luminaries as Professor Ronald Wonnacott and Professor Richard Lipsey, but we did listen carefully to their arguments and we have assimilated them into our thinking. I am only certain that I speak for the members of the Liberal and Conservative parties in this regard, but I am certain I speak for all of them.

I was impressed with the fine arguments presented to us by them and by other economists. I impress on this House that the great majority of academic economists in this country make it clear that in the long run it is in our best interest as a country to attempt to free up the trading relationship between Canada and the US.

8:10 p.m.

I was particularly impressed with Professor Lipsey's argument that politicians often confuse

balance-of-payments problems. I have often felt that the balance of trade this country had was at least as important as any deficit problems the provincial or federal governments might have. For one thing, government deficits should be looked at in the whole as opposed to the deficit of any one government, especially in view of the extent to which this federal system endorses transfer payments from one level of government to the other.

Rather, it should be argued that what we do in our trading with others is more important. The analogy to the family can be proffered. Most family units have children and perhaps even one spouse whose income and expenditure position is in deficit. This is not really harmful to the economy of a family, however, as long as total family expenditures do not exceed income.

Professor Lipsey points out on page 2 of his report to the committee: "A great deal of emphasis in evidence before you has concerned the balance of trade, either on particular items or on our trade as a whole. Such commentators are judging the nation's balance of payments just as they would the accounts of a single firm. Just as a firm is supposed to show a profit, according to this view, the nation is supposed to secure a balance-of-payments surplus, with the benefits being derived from international trade measured by the size of the surplus.

"In holding such views today, people are echoing an ancient economic doctrine called mercantilism. The original mercantilists judged the success of trade by the size of the country's trade balance. In many cases this doctrine made sense in terms of their objective, which was to use international trade as a means of building up the political and military power of the state rather than raising the living standards of its citizens. A balance-of-payments surplus allowed the nation to acquire foreign exchange reserves. These could then be used to pay armies composed partly of foreign mercenaries, purchase weapons abroad, and generally finance colonial adventures.

"If, contrary to the mercantilists, we take the view that the object of economic activity is to promote the welfare and living standards of ordinary citizens rather than the power of governments, then the mercantilist focus on the balance of trade makes no sense. What we understand today is that average living standards are maximized by having individuals, regions and countries specialize in the things they can produce relatively cheaply, and then trading these for the things they could produce at home

only relatively expensively. The more specialization, the more trade.

"In this view, the gains from trade are to be judged by the volume of trade. The situation in which there is a large volume of trade but a zero balance of trade is then seen to be very satisfactory. The benefit to the country's living standards and employment depends on the volume and not the balance of trade."

This basic lesson in economics by Professor Lipsey is one that has not been learned by the US Congress. As we learned when we visited that country, its Congress is in a state of real fear. Americans are really concerned that, for one of the few times in their history, they have a deficit balance of trade. They are concerned that this balance particularly favours Pacific Rim countries. There is a great deal of what our American friends refer to, even privately to us, as Japanese-bashing going on in that country. As a result, there are apparently more than 400 protectionist measures being brought before the US Congress for consideration. Most have to do with protecting that country from offshore competition.

There is no concern, indeed no awareness of Canada, and there is little or no feeling one way or the other about protecting or hurting us as a country. There is a certain sense of goodwill towards Canada in the US, but there is also an awareness that we are second only to Japan in our trade surplus with the US at the present time.

What we learned time and again is that Canada is extremely poor at mining a value out of the goodwill we have. When we visited Ottawa, we saw no particular worthwhile attempt to mine that goodwill. Rather, we saw what I can only describe as sheer panic on the part of our federal government officials at the thought of Canada being subject, perhaps inadvertently, to dozens of tariff measures in the US Congress.

Rather than working at educating the American legislature as to the value of the continued good relationship with its biggest trading partner, Canada, the federal officials are accepting the rising protectionist fever in the US and feel they can rely on the ideological bent of the Reagan administration towards free trade to negotiate a deal which would get us on the other side of the tariff wall before it is built.

What is most frightening about the Ottawa perspective is they have absolutely no concept of what they want to have included in the agreement and what they want excluded. They have indicated to us they have done no preparation. They have had no sectoral analysis available, no

scheme as to who should be protected and who forsaken, even though an agreement of this sort would have a far-reaching effect on hundreds of thousands of Canadian workers.

We were advised by the officials of the Department of External Affairs and the Department of Finance on August 29 that there was some sectoral analysis going on at this time, and some reports were being prepared for them by economists. We were promised we would be provided copies of these reports the moment they were available. Absolutely nothing has been sent to the committees at this time, so I must assume the decision on September 26 to ask the President of the United States to enter into free trade negotiations with Canada was made with absolutely no background information. I must also assume that today, almost three months later, there is still absolutely no background information from the federal government or available to the federal government.

Fortunately, our own government in this province has been preparing background briefings, including the three fine reports released a few short weeks ago by the Minister of Industry, Trade and Technology (Mr. O'Neil). With the co-operation of our officials not only in the Ministry of Industry, Trade and Technology, but also in the ministries of Treasury and Economics, Northern Development and Mines, Natural Resources, and Agriculture and Food, we have a good idea of what is being done in this province and what is being done openly to protect the workers in this province from the ill-prepared negotiations taking place.

As well, we have commissioned four research projects ourselves to answer specific questions concerning the future of manufacturing industry in Ontario; the future of high-technology industry and how it might be attracted, with or without bilateral negotiations, or how they may affect it; the whole question of branch plant operations and what decisions may be made as a result of an agreement, and a number of other subtle questions which will need to be answered before real talks can take place.

Fortunately, the Trade and Tariffs Act of 1984 in the US is such a cumbersome piece of legislation that we do have some time to commission these research projects and we hope some time in the new year, perhaps on Saturdays or Sundays if we get permission from the House to sit on those days, we can study in depth what these research projects mean. The Trade and Tariffs Act of 1984 has never had to be administered or carried out. The US has a free

trade agreement with Israel which it put into place in 1985, but it is essentially an agreement motivated by politics rather than economics and it did not have to run the gauntlet of congressional negotiations with the President that this agreement will have to have.

8:20 p.m.

It is my understanding that the day before yesterday President Reagan wrote to the Congress and asked it for permission to enter into free trade negotiations with Canada. Congress will have 60 working days to answer, and 60 working days could take many months. The President is not allowed to talk to us until that period has ended. Even after those working days are completed, the American administration will have to enter into a very detailed sector analysis and keep Congress informed every step of the way.

In other words, there will be no fewer than 536 negotiators in the US negotiating with 11 parties in this country. The federal government in this country is complaining that it has to deal with 10 provinces. The difference is that in the US they know what they want; in Canada at the moment, only one of the 11 governments—possibly two or three in the very near future—seems to know clearly what it wants, and this government is extremely busy determining that even more clearly.

Getting back to what we want, to use Professor Lipsey's analogy, what we really want is a higher volume of trade in total. That is why it is extremely important that the very first recommendation of this interim report was a recommendation that the General Agreement on Tariffs and Trade negotiations, which recommenced in September rather quietly, be encouraged to the ultimate degree. This is where our future lies and, frankly, it is where the future of the US lies too.

I am concerned that we purport to speak the same language as the Americans, but in fact we do not. When we were in the US, we talked to Americans about our desire to preserve our cultural heritage and our social security system. Without question, all those with whom we spoke, be they administration officials, Congressmen or lobbyists, were adamant that there was no interest in the US in dismantling our social security system or our culture.

I believe they were all sincere when they said that. In the same breath, however, these same people would tell us they were very interested in such issues as publishing and border broadcasting. The anomaly was lost on them. They would

talk about negotiating on a level playing field, but when we questioned them about what they meant by a level playing field, it soon became obvious that each and everyone of them wanted a playing field tilted in his direction.

The US has and uses what is called countervailing legislation. Canada has, but seldom uses, very cumbersome anti-dumping legislation. Countervailing legislation in the US involves two hearings which go on more or less concurrently. In each of the two hearings, a producer within the US alleges that he has been harmed by an importer. The importer must show to the satisfaction of the government that certain activity has not occurred. In one of the hearings, he must show that there has been no government subsidy to the production of the product. In the other hearing, he must show that the American domestic producer has not been harmed.

I ask the members of the House to weigh carefully the difficulties in showing that a domestic producer has not been harmed by an import and in showing in our culture, where there is so much economic development in what we do, that the government has not assisted in the production of the product being exported.

This is where, when it comes to maritime fishing problems, the Americans will suddenly say it is unfair for us to pay unemployment insurance to fishermen in the winter. To the American way of thinking, that is government assistance to the producer.

I am quite certain the Americans are most sincere when they say they do not wish to interfere with our social system, our economic support systems or our regional economic supports. I am also quite certain, however, that when the chips are down and they are applying their countervailing legislation, what we call our social fabric, they will be calling unfair government support. While this may never be mentioned in our negotiations with that country, two or three years down the line when it is too late, they could be calling for the dismantling of our social system.

I attempted to bring these concerns to the attention of certain officials in the US, as did other members of the committee. The member for Prince Edward-Lennox was most delightful when he suggested that if they wanted a level playing field, we wanted a level ice surface.

Even with that analogy, we found our American friends, in attempting to appease us, started to talk about ice fields. They were not used to the idea of an ice surface. I am not a geologist, but I do believe ice fields are not very often level.

Mr. McGuigan: They are a slippery bunch.

Mr. D. R. Cooke: They are slippery.

I respectfully suggest to the negotiator, Mr. Reisman, that if he is going to place everything on the table, and it sounds as if that is what is going to be done, we should demand that the Americans place everything on the table as well. We must demand that they place their countervailing legislation on the table. They must at least be ready to get rid of it.

So much of their high-tech industry and an incredible amount of their present economic prosperity is dependent on and entirely related to their huge, monstrous defence industry. If we are being asked to put our cultural and social industries on the bargaining table, as we are being asked to put our agricultural industry on the bargaining table, to put the auto pact on the bargaining table and to put so many other things on the bargaining table, then we must demand that the Americans do the same thing. In essence, this means placing their whole defence industry on the bargaining table.

I am not questioning the need for a defence industry in the US. It happens, however, that virtually their entire defence production industry is built upon a government support system, upon legitimately categorized, nontariff barriers. If Mr. Kelleher, the federal Minister for International Trade, and Mr. Merkin, of the Office of the US Trade Representative, state that all these things should be put on the bargaining table, then at least the financing of defence production in the US should be closed down and replaced with a new system.

As I understand it, the US has mortgage deductibility in its income tax legislation. This means American workers are given a great deal of government support by being allowed to deduct the cost of their mortgage interest from their income tax. That would have to be changed. That is a nontariff barrier, a government support, and it should be on the bargaining table if we are going to negotiate seriously.

Another thing our committee has considered very seriously, as members will see in the report, is the myriad of barriers that exist between the provinces of Canada. Ontario has some of these barriers—we do not come with clean hands—but some of the other provinces have many more. This includes some of the natural-resource provinces that are most anxious to enter into a free trade agreement.

We are saying they should put their money where their mouths are. They must reduce interprovincial tariff barriers. This is something

that should be worked on for the good of all Canada and for the good of our GATT negotiations, whether or not we get very far in our negotiations with the US.

Another suggestion we have made is that we open up an Ontario House in Washington to assist Ontario exporters to develop, in co-operation with the government of Canada, a better means of communicating their trade concerns to the US government and its legislators.

8:30 p.m.

One of the most impressive presentations we had was made by John D. Allan, the president and chief executive officer of Stelco Inc. In 1984, Mr. Allan found that his company was the target, to some extent inadvertently, of a tariff bill in the US Congress. He spent most of 1984 in Washington before he successfully, albeit temporarily, overcame the problem. His plant, like many plants, has now streamlined its operation with long production runs geared in part to the US market. Stelco plants in Swansea, Brantford and Gananoque are dependent on this. Fifteen per cent of their production is exported to the US, a smaller percentage, I might add, than that of the Algoma Steel Corp. Ltd.

After much lobbying in the US Congress and in the administration, the sale to the US still would have been blocked had it not been that some of their steel is used in the Michelin tire plant to build steel-belted tires in South Carolina. The senator for that state happens to have a great deal of seniority in the US Senate. When the Michelin tire plant became aware that the loss of this steel could lose it an important source of product and possibly end up putting some South Carolina boys out of work, that senator became concerned, the dominoes fell, as they apparently do in the middle of the night when legislation is being negotiated in the back rooms of the US Senate, and Canada was exempted.

Mr. Rae: Do they actually bargain their legislation? That is just terrible.

Mr. D. R. Cooke: Yes, they do. We have to become aware of that and we have to become part and parcel of it if we are going to make our way in the US market. We must remember that the US is 90 per cent of Ontario's market.

What we must do in the US is educate each and every one of 535 congressmen about what jobs in their congressional district are dependent, and to what extent they are dependent, on Canadian imports. Once that information is available to them, and only when that information is available to them, will they start paying attention to

Canada when they are considering their protectionist legislation.

If we do this and do it well, then we will not be tied, and will not need to worry about being tied, to the US as a market. We will be able to look to a great horizon and will be able to cover this whole globe looking for expanded trade. We will be able to expand our trade with the US as we simultaneously expand trade to much more exotic spots in the world.

In the meantime, it is very important to make sure once again that certain items are not on the bargaining table unless the US is similarly willing to put things near and dear to it on the bargaining table. I would seriously suggest that neither country be required to do so.

My colleague the member for Kent-Elgin is going to talk about agriculture. There is no doubt the auto pact—which is content legislation, not free trade—is currently beneficial to Canada. There is no doubt in my mind that the exciting announcement this morning by Toyota to operate in this country will have a dramatic effect on the area around my riding, the Kitchener area. There is no doubt that they are certain and anxious to become involved in the auto pact.

The Americans are not interested in negotiating anything similar to the auto pact. In fact, they would probably like to get out of the auto pact if they could because it is not benefiting their country at this time as much as it is ours. While it might not be a bad idea to tinker with it if we could, there is just too much danger in trying to do so; so it must not be touched. Our defence production-sharing agreement similarly must not be touched.

We have a lot more to say; there is a lot we do not know at this time. We will eventually have a chance to comment further, I am sure. In the meantime, I would like to say once again how grateful I am to have had the opportunity to work with such a great group of people; how grateful I am that the previous government endorsed so many of the views that are in this report and that the opposition still endorses it; and that this government, particularly the Premier (Mr. Peterson) and the Minister of Industry, Trade and Technology, have endorsed, to my knowledge, a great deal of this report. We take this as a compliment and we intend to keep working hard.

Mr. Mackenzie: On a point of privilege, Mr. Speaker: The procedure generally in a debate on a committee report like this is that the parties split the time, which would be 50 minutes to each party. I hope the Speaker will keep track of time

because otherwise it is going to be difficult. We have had 34 minutes for the first speaker.

The Acting Speaker (Mr. Morin): I understand there was no agreement announced.

Mr. Mackenzie: That has always been the practice.

Mr. Harris: Perhaps while the debate proceeds, the honourable members who wish to participate in debate may want collectively to ascertain how they would like to do it. Otherwise, what happens when they do not get together, when there is not an agreement, is we may have an honourable member who might like to go to about 10:25 p.m.

The Acting Speaker: There were no agreements announced. Therefore, the debate will continue.

Mr. Hennessy: Before I proceed, I should like to take this opportunity to say I was very pleased to serve on this committee. The chairman did an excellent job of chairing the meetings and I was very pleased with the members. It was a good committee and I enjoyed serving on it. The clerk of the committee and also the research officer were a good group. It was a well-picked team. I must congratulate the chairman for the job he has done in regard to this committee.

I am pleased to have this opportunity to talk about free trade and the report of the select committee on economic affairs. The report of the committee is a good one. It represents well the many opinions we heard from people all over the province. Nothing is more likely to cause an argument these days than a discussion on free trade. That is understandable. Trade is very important to Canada and trade is very important to Ontario.

Our province is among the great trading countries of the world. Ontario depends on more trade overseas than does Japan or West Germany. We must have overseas markets for our industries to succeed and for our people to have jobs. With trading being so important to our nation's wellbeing, it is natural there is a great deal of concern with any trade agreement. Unlike many nations in the world, Canada has only one neighbour, the US of America, and our neighbour is also our biggest business customer. Because of the size and wealth of the US, there is concern that its industries will overpower ours.

Again, because of the size and the influence of US culture, there is a concern that less formal relations between our two nations will make Canada less Canadian. I do not buy that argument. Canadians are Canadians, no matter

where they are, and I agree that there are certain things we just do not trade away in a new trade agreement. There are some things we just do not touch. In committee, I brought up the fact that our social support programs should not be a topic of discussion for free trade or a freer trade deal. That only makes sense. We are all proud of what our social system has achieved. There is no need to trade it away.

I am reading the recommendations made by this committee, of which I was very pleased to be part:

"It is imperative that the Canadian government guarantee that we do not compromise our social, cultural, regional and linguistic heritage in any trade discussions with the US. This heritage includes, but is not limited to, government programs such as the medicare system; pension and social security programs; the system of workers' compensation boards; national unemployment insurance; regional development programs, and protection for Canadian content in the nation's media.

"Any discussions and possible agreements should specifically protect Canada's continuing right to unique social, cultural and economic policies and programs based on its own distinct needs."

8:40 p.m.

While we must be on our guard to preserve our unique and good way of life, there is no reason we should not go to the bargaining table with the Americans. If one listens to the US Congress, as I have and as my colleagues on the economic affairs committee have, what do the US politicians say? They say to close up the US borders to imported goods. That means they want to close up the border to Canadian goods, and that means less business and fewer jobs.

If the US administration says it is willing to open up American markets to Canadian goods, it makes sense that we should sit down and see what it is proposing. We should not run away from trade negotiations. We should sit down and take advantage of this situation. We should sit down and get the best deal we can for Canadian goods and workers. This does not mean we are going to give away our culture or wind up our social programs. All it means is that we are going to talk and listen. If we can make a deal, we will make it. If we cannot, at least we will have tried.

Canadians and Canadian industry are much tougher than we give them credit for. Our industries can compete on world markets. We can compete and win.

The committee's first recommendation is that Ontario should encourage Ottawa to get the best trade deal it can. Second, Ottawa should continue to open new markets for our goods with traditional trade partners and with new ones. Third, we ask for a reduction of interprovincial trade barriers. Let us strengthen east-west trade within Canada while, fourth, we look at new markets abroad. Fifth, we should sit down with the US and hammer out an agreement that will work to everyone's benefit.

We are a big nation now. We have the ability to make a name for ourselves. We should not run away from the potential that freer trade can offer Canada.

In closing, if we do not negotiate, we will not know what the other fellow is offering. If we walk away without even discussing it, it is like somebody who wants to get married: if he does not ask the girl, he will never know whether she would have said yes or no.

With all due respect, we have nothing to lose by negotiating. If the terms are not satisfactory to the people of Ontario or to the members of this Legislature, we do not have to accept them. We would be very foolish not to see at least what they have to offer.

It is like going shopping. You go to four or five different stores. You do not intend to buy anything, you are just looking around, but you may see something you want to buy. If you did not take the opportunity to look around, you would never know what you could get. In all fairness, we should sit down and discuss the situation. If it is not satisfactory, we do not accept it; if it is satisfactory, then we have made a good deal.

Mr. Rae: If I may rise initially on a point of order, Mr. Speaker, it is my understanding that some agreement has been reached between the parties and that we have agreed to a roughly 50-minute division between us with respect to the time, which is a sensible arrangement.

I appreciate the opportunity to participate in the debate. I was not a member of the committee, but I can tell the chairman I followed it with a great deal of interest and had many discussions with my colleagues the member for Hamilton East and the member for Sault Ste. Marie (Mr. Morin-Strom), who were on the committee.

Without giving the House an extensive autobiography, this subject is one that has been of considerable personal interest to me. I have been called the son of many things, but in fact I am the son of a diplomat who served in the US for many years.

Mr. Andrewes: The member is the son of a QC.

Mr. Rae: The member for Eglinton was going to say a son of a something else, but I know he would not want to be on the record as saying that.

I grew up in the US, in Washington, DC, as a small boy and young man, until I was 15 years of age. I attended school there and have maintained a connection with American life and events in the US ever since. I was a student in the US and have travelled extensively there.

When I was in federal politics, I was a first member of the Canada-US interparliamentary committee and was subsequently the vice-chairman of that committee. I was involved in very extensive discussions with American senators and congressmen on that committee, including Senator Baucus, who I know is a very active opponent of Canadian lumber exports into the US.

Congressman Gibbons was a very active member of the interparliamentary committee and at that time was an enormous advocate of free trade from the US point of view. I can remember very critical comments Mr. Gibbons made back in those days—I am talking about 1979-80—about any attempts in Congress to restrict Japanese or other imports. I find it somewhat ironic, having watched Mr. Gibbons in action as an enormously resourceful politician, to hear his remarks these days, which are substantially different from what he was saying at that time.

It is with a tremendous amount of personal interest in our relationships with the US and in the light of the well-known history of our party's concern for the future of our country and for the structural problems facing our economy and nation, given the degree of foreign ownership and the degree of American domination of our economy, that I participate in this debate.

I have always felt that while the 19th century saw the British imperial economy as the primary exponent of free trade, it is ironic that up until very recently it was the American imperial economy in the world that was expressing again a desire for free trade as the only way to go.

It is fair to say—and one probably saw this stated no more clearly and explicitly than in the report of Donald Macdonald's Royal Commission on Economic Union and Development Prospects for Canada, which was released this fall—that the political impetus for the idea of free trade is very much tied to the ideology of free markets and to the notion that government intervention is a bad thing, that free markets must prevail not only on the national level but also on

the international level and that any interference with those markets will produce less wealth and less efficiency and will somehow produce an economy that is working in less than good balance and good health.

That is basically the attitude taken by Professor Lipsey, who is perhaps the classical exponent of classical 19th-century liberalism, which has become in many respects 20th-century conservatism. I want to tell the House that my concern about the arguments for free trade is very directly parallel to my concern about arguments put in an abstract way about the benefits of an economy that works on an entirely free market basis.

We should be under no illusions. My concern is simply that if Canada signs an agreement with the US that provides for a comprehensive economic treaty with respect to the establishment of free trade with the US, we should be under no illusion that we are severely restricting the ability of governments, both federal and provincial, to do the job that Canadians and Ontarians have historically always wanted governments to do.

I noted with interest the comments yesterday by Mr. Kelleher that some items would not be on the table. However, the only issue that he stated specifically would be taken away in a sense was that we do have some concerns about our cultural sovereignty, which he said not all Americans understand. We also have special policies to protect and promote our cultural industries, such as publishing, broadcasting, records and films. These are vulnerable in any small country that borders on a larger one, and we will continue to take special pains to preserve them.

8:50 p.m.

If we take just one example, agriculture, we will find that historically in this country, political and social movements have grown up in the past 100 years to restrict severely the operation of a so-called pure market economy with respect to agriculture. If we sign a comprehensive economic treaty with the US on free trade and it includes agricultural products, it will take away from governments a role they have had with respect to agriculture in this country since before the First World War.

Let us be under no illusion about that. We do not have free trade in agricultural products even within the Ontario economy. Why do we not have it? It is not because of some socialist conspiracy. We do not have it for the simple reason that people who have farmed for a living have historically said to themselves: "We simply have to get together to control the price of our product in the marketplace."

Whether it is eggs, milk, wheat or any number of other products sold, eaten and consumed daily or exported, Canadians have a strong record of saying, "We want to establish marketing arrangements that are more stable than those a natural free market economy would give us."

From time to time, we get these wide-eyed, bushy-tailed reports from various economic councils telling us what a terrible thing marketing boards are and how, if only we had the same arrangements they have in other countries, eggs would be priced at three or four cents less a dozen or whatever it might happen to be.

That is not going to happen for a simple reason. It is not because all the egg producers in Ontario are good New Democrats—I see the member for Kent-Elgin smiling at me; he knows how ironic I am being when I say that—but because they are protecting their own economic self-interest. Perhaps they are New Democrats without being fully conscious that is what they are.

That is only one example of people working together. I am going to come to the Minister of Agriculture and Food (Mr. Riddell) in a moment. I listened with interest to comments he has made on the radio about free trade. I used that as only one example to suggest that when we talk about the role of government in the economy or when we talk about free trade and free markets, we have to get away from the tyranny of abstractions. We have to relate much more directly to how Canadians make a living and to how we have organized our economy, not as matter of chance but as a matter of choice.

I listened to the comments made by the Minister of Agriculture and Food on Radio Noon one day, since I always listen to the radio when I am in my car. He was talking about the effects of a free trade agreement on our agricultural economy. He may correct me if I am wrong, but I clearly heard him say the sectors that had chosen agricultural marketing boards, various mechanisms for market stability and various kinds of producer arrangements for controlling supply in an attempt to control prices would be the ones that would be most severely affected by any free trade arrangement with the US. For the record, the Minister of Agriculture and Food is smiling and nodding.

The sectors that have not been protected by these kinds of marketing arrangements would have to fend for themselves in a sense. Whether they were able to penetrate American markets would depend on price, North American supply and our old friend the exchange rate about which,

thank God, Gerald Bouey did not succeed when he wanted to keep the Canadian dollar at 90 cents, otherwise we would be in a pickle today. That is the reality.

I have taken agriculture as an example, not because it is a field in which I have any sense of natural knowledge but because I wanted to use it as an example to show that when we talk about the impact of free trade and about arguments for free trade, we are not talking just about big unions or about how it is just people who are trying to hide behind some kind of protection.

What we are talking about, and I come back to this point, is how all our country's social and economic institutions over the years have grown by choice and not by chance. We have chosen to do things differently from the Americans, yet our agriculture industry has been devastated by the effects of low prices, high interest rates and uncertain markets.

Those things are as true here as they are in the US, but those sectors that have fared best in the past 10 years of enormous uncertainty have been precisely those agricultural sectors that have chosen to do more about controlling their markets, prices and supplies. We have done better than the American farmers in each of those sectors with respect to survival and protection from bankruptcy.

I do not think the House will disagree dramatically with anything I am saying. There are many members in other parties who, from personal experience, know full well and better what I am talking about.

It is all well and good to talk, as the federal government and Mr. Mulroney do, about the importance of our having a stronger relationship with the US and the need to work out our frictions—I want to come back to that because I fully agree with that point—but when people start talking about a comprehensive free trade treaty with the US, what they are talking about is a completely different kettle of fish from any kind of trade relationship we have established with any other country in recent memory.

We are talking about the potential destruction of some very important institutions in this country, not only government institutions but also social institutions that have been built by farmers, co-operatives and people trying to find a degree of security for themselves in a world that has been very insecure, particularly over the past five years.

I am getting a little tired of hearing from various economists and politicians who say that those of us who are concerned about that degree

of protection are simply afraid of something. I am not afraid of anything. I am simply saying we have built a series of institutions in this country and we ought to be proud of them. We should stand up for them and recognize that one cannot put all those things on the table and say: "Here you are. Let us put those up alongside yours, and we will be ready to trade them away."

The member for Fort William (Mr. Hennessy) suggested there was nothing wrong with window-shopping or with sitting down to have some chats. With great respect to the member for Fort William, that is not what Mr. Mulroney is proposing. Mr. Mulroney is not proposing a chat about our trade with the US. He is proposing that the public agenda of our relationship between our two countries should include a comprehensive trade treaty that would limit severely the ability of our government to help people and to respond to their needs.

What is being suggested is not necessary. It is not a discussion of those areas in which we have a real dispute or of those problems that have arisen in the past few years and have been particularly difficult. What is being proposed is a comprehensive approach to the American Congress and government. This approach is simply wrong-headed. If it succeeds, it will take away much of the historic argument over the past 120 years for a different kind of government and a different kind of approach to public policy on the northern half of the North American continent.

Not only do I endorse the view of Mr. Bourassa when he said the implication of free trade is to destroy our sovereignty; it is also a view I have expressed on many different occasions. One cannot say, "Take away from government institutions in Canada their right to control and deal in certain key areas of the economy," and at the same time say, "But we are not saying anything about sovereignty."

Sovereignty is not simply a question of national dress. We are not talking about some sort of folkloric survival of our country here. We are talking about the viability, strength and vitality of our institutions. If one takes away from those institutions the ability to intervene constructively and help people, one has done something to destroy the very *raison d'être* for Canada itself.

9 p.m.

We are at a crossroads. It is because of our historic sense that a very real choice is to be made that we in our party have had some difficulty with the approach taken by the select committee and, if I may say so, the approach taken by the Premier

and by the Leader of the Opposition (Mr. Grossman). It is because there is a historic choice to be made that I think the issue has to be clearly joined with the federal government. I am sure there are various tactical reasons why the Premier does not want to do that, but I suggest to him it is a very risky business he is involved in.

I want to say from my experience, contrary to what the member for Fort William said, that negotiations have a certain sense of momentum. Once the government of Canada is committed to a process of attempting to get some kind of treaty at the end of the road, that in itself will establish a momentum which will make it extraordinarily difficult for any one person to say, "I think we have gone far enough; it is time to quit."

The continued vagueness that pervades our national life and national debate as to what these discussions are going to be all about is enormously dangerous for our country. We cannot send Simon Reisman into a room unless we know precisely what it is he is trying to get.

I say, again contrary to the member for Fort William, the idea of saying that all we are doing is talking with the Americans not only is naïve but also is not what the process is all about. The government of Canada is entering into discussions for one reason and one reason alone: it wants to sign a comprehensive treaty with respect to free trade between Canada and the US. That is what it is all about.

The issue should have been more clearly joined. That is the difference of approach between ourselves and the other parties with respect to this report. We have said very clearly that we do not think a free trade discussion should be started. We think there should be discussions on other issues. We think there should be discussions on our bilateral relationship as it affects lumber and steel. We think we need to establish some mechanisms. We agree completely with those people who are saying we have to be more aggressive in the US in selling what is in the relationship between our two countries and that it is not in the Americans' self-interest to stop Canadian exports from going into the US.

We do not support the idea of a comprehensive treaty. The fact that the issue has not been clearly joined and that there remains such vagueness as to what the discussions are all about, and even as to what the powers of the provinces are all about, is not healthy. Ultimately, I believe it is going to make it even more difficult for those of us who believe this is an issue that has to be dealt with in a very different way.

I have heard that the Premier thinks he has some kind of veto over these discussions. He bases his view as to whether he has a veto on a communiqué that was agreed to by him, all the other Premiers and the Prime Minister of Canada. To the best of my knowledge, that communiqué has not been read into the record in this House. I want to read it into the record because that communiqué is the document which the Premier says gives him a veto. I want members to listen very carefully to it. It is quite long, but I hope not to take too long in reading it.

"The ministers agreed to the principle of full provincial participation in the forthcoming trade negotiations between Canada and the US and in the GATT. The Canada-US negotiations are now in the preparatory phase. During that phase, the ministers agreed to give effect within the next 90 days to the principle of full provincial participation through, among other things: (1) establishing a common basis of facts and analysis, (2) each province and the federal government setting out their objectives for the negotiations and (3) establishing an agreed view of the obstacles to the achievement of these objectives that may exist in the US.

"The ministers agreed further that this preparatory phase should include the determination of how best to give effect to the principle of full provincial participation in subsequent phases of negotiation and that the work might be accomplished, among other ways, through holding further meetings at the level of ministers or first ministers if necessary."

I have heard gobbledegook in my time, but I think this reaches a state of the art. It says the work might be accomplished, among other ways. I might say it also might not be accomplished because that is what the word "might" means. It might or might not be; maybe yes, maybe no. If ever there was a maybe document, this is it. Yet this is the basis upon which the Premier comes back waving a piece of paper, saying, "I have the veto." No wonder Mr. Kelleher says, "No, there is no veto." No wonder even Joe Clark, bless his heart, says, "No, there is no veto."

I want to suggest it is all very amusing for us to question whether the Premier got the better of Mr. Clark or Mr. Clark got the better of the Premier. If Mr. Clark got the better of the Premier, that puts the Premier in a category all by himself in the history of Canadian politics.

I want to suggest in all seriousness that it is essential, at this stage of these kinds of discussions, that there be a clear statement from the government of Ontario that says simply, "The

government of Ontario is opposed to a comprehensive free trade treaty with the US of America. We are opposed to discussions entered into with the US Congress or anyone else on that basis." In my judgement, that should be the end of it.

Do we have a problem with American protectionism? Yes, of course we do. Is there a crisis at the heart of the American Congress with respect to trade? There are severe difficulties, there is no doubt about that. I might say that is a historical point stemming in good measure from a dollar that is severely overvalued with respect to other currencies. It relates to some balances and imbalances that change from year to year and are going to be subject to various political pressures. For us to take that excuse as a reason for selling out our bargaining strength, and indeed our birthright and independence as a nation, is folly of the highest order.

I just finished reading a book called *The Triumph of Folly* by the historian Barbara Tuchman. It is an interesting account of how, at various times, governments have engaged and persisted in policies that are ultimately destructive of the very ends they say they are trying to achieve. In fact, the policies are so self-destructive the historian is inclined to ask the question, "How is it possible that people persisted in the folly for so long when it was clearly not even in their own interest to do so?"

There are various reasons it happens. One is that it takes too long for those who see a folly and those who say they see something as a folly to respond. I think this government has taken too long. The Premier's approach is simply too fuzzy, ambivalent and ambiguous to give Ontario and Canada the kind of negotiating power and leverage we deserve.

It is for that reason my colleagues in the Legislature, the member for Hamilton East and the member for Sault Ste. Marie, issued such an effective dissent. I know they will both want to discuss that at greater length this evening.

9:10 p.m.

MINISTER'S COMMENTS

Mr. Speaker: I wonder if the members would give me a moment or two.

Earlier today, there was a discussion in question period between two members when another member got up on a point of order. I have had an opportunity to review Hansard and I would say, first, I should not have allowed the question in the first place, as it did not pertain to the honourable minister's ministerial responsibility.

However, the question was raised by the member for Don Mills (Mr. Timbrell) as to whether or not the minister today in the House accused the members of not telling the truth.

Referring to the Hansard record, it would appear that the minister was reporting on what he actually said on December 9 in Rainy River. What was said at that time cannot be considered out of order here in the House. If such an accusation was in the House, then it would be a matter of order and not of privilege. As this matter is not within the jurisdiction of the House, the members could look into the question of any civil remedy.

Mr. Timbrell: On a point of order, Mr. Speaker: Perhaps you could help me—

Mr. Speaker: Actually, that is a ruling and it is not debatable. However, what is the point of order?

Mr. Timbrell: The point of order is that you could perhaps help me by telling me the difference. I am looking at page 4, clause 19(d)10 of the standing orders, where it says: "(d) In debate, a member shall be called to order by the Speaker if he charges another member with uttering a deliberate falsehood."

Would you tell me the difference between calling another member a liar and saying that another member does not tell the truth and why that distinction, whatever it is, would not lead to the member being called to order?

Mr. Speaker: I am not here to debate the ruling. The member knows full well he can challenge my ruling. However, I looked at Hansard very carefully and each time the member said, "I cannot say that he did tell the truth." Before that he said, "I said," and referred to what he said outside the House, if you look at it very carefully.

REPORT

SELECT COMMITTEE ON ECONOMIC AFFAIRS (continued)

Mr. McGuigan: It is a pleasure to take part in this debate, as it was a pleasure to take part in this study. It is one of those times when members get down and do some serious work that impinges upon the future of this great country.

Members from all parties looked at this program in a pragmatic way. There was very little retreat to dogmatic, traditional political stances, and a great deal of very good work was done. It would be hard to come down and say any one conclusion was false or wrong, because we

are speculating about the future. We are talking about a great many unknown things and each point of view is valid.

I want to talk about agriculture because I believe I was put on the committee to represent that segment of our society. I want to talk a bit about the historical background and why we are so different from the US. The leader of the third party touched upon those things and I would like to add a little more definition.

Taking the situation that existed in the 1930s in Ontario, it was a time when chain stores were expanding and when Canada Packers was swallowing up a whole lot of other packers. It was a time of conglomerates. The farmers thought they were the victims of all the evils of the unfettered capitalistic system. They cast about for some answers and actually found one in Australia. The Australians had begun marketing boards. The farmers had a series of court cases where things were challenged as to whether they were legal, and in 1937 the government of Mitchell Hepburn passed the legislation that would allow marketing boards.

Out in western Canada, we had a situation during the Second World War when they actually sold the wheat overseas cheaper than they did in Canada to assist in the war effort and help Britain along. After the war, as compensation to the farmers of western Canada, the Canadian Wheat Board was brought in and said wheat and feed grains would be handled by one board.

I will show the members how well that worked. In 1971, the Russians came to North America. They had lost their crops that year and decided to replace the grain with American grain, of which there were large surpluses. They went to the seven major grain companies and placed orders. Within a matter of a week or 10 days, they bought up the entire surplus of grain in the US.

Because the independent sellers were all operating in the secrecy of their own operations, none realized what was happening. By the end of the week or 10 days, the Russians had bought all the grain at extremely low prices. That was the great grain robbery. At the time, it was figured that in terms of gold they had bought the grain for about \$1 a bushel, which was an extremely low price.

However, the Canadian Wheat Board, being a single seller representing all the farmers of western Canada, realized what was going on and stayed out of the market. After the American grain had been sold, it entered the market, which by that time had reached a peak at \$5 a bushel.

Those are some of the benefits of selling under a one-desk system.

In Ontario, we looked at the relative advantages of producing in the US and in Canada. We decided we could not play on a level playing field because of climate and soil—mostly climate—and the presence of the Mississippi River as a great avenue of trade, a cheap way to move grain. We decided we could not compete with them. Our tariffs at the time were very low. As time went on and inflation raised the prices, we found that the existing tariffs in those days became rather meaningless. Where they might have been of some use at one time, as prices rose they became meaningless.

That is why we developed the system of marketing boards that limited the amount of production. We tried to gauge what the market was and we limited our production to that, so that the farmer got a reasonable price for his crop and the consumer paid most of the price for the product.

The US chose another route. They chose to subsidize farmers with a vast array of systems that guaranteed prices and the difference between market prices and target prices. They poured billions of dollars into that agricultural system to the extent that during the last four-year Agricultural Trade Act from 1981 to 1985 it was supposedly going to cost the US government \$11 billion. At the end of the four years, it had actually expended \$63 billion. There is a huge system of subsidies in the US to subsidize grain.

They do not subsidize livestock very much. In Ontario, some of the livestock items that lent themselves to marketing boards were dairy products, eggs and poultry, including turkeys. We set those organizations up so that they return a decent price to the producer.

9:20 p.m.

We do not have much time to explore these, although I would like to. I want to move on to horticulture, one of the important elements in southern Ontario. It is important because it provides a local supply and because it is a very large consumer of labour; it is labour-intensive. It is important not only to the horticultural producers, but also to a great many people who work in that industry.

As I mentioned earlier, we had some level of tariff, but during the Tokyo round, which concluded in 1977, we were actually able to gain some measure of protection by modernizing the tariff rates. Today in a good many of the soft fruits, we have protection levels of 10 per cent or 15 per cent on the value of the crop. That

revitalized the horticultural industry, so that today, instead of being a dying industry, at least it is holding its own.

What would happen if we adopted the American system? As has been mentioned by other speakers, they say: "Our system is the most successful in the world; everyone else must play by our rules." In the case of eggs, it would mean we would get rid of our quotas. We would free up the border to allow any amount to come in and we would simply wipe out our egg production industry.

In the US that industry is controlled by the brewing companies, which, I remind members, are the big buyers of grain, the brewing byproducts of which they feed into the poultry market. They would control and wipe out our family egg producers. They would do the same with poultry and meat producers, as they would with turkey producers.

American firms would do the same with tobacco. In the US they have a five-year supply of tobacco. We are worrying about the problems we have here; we see on television that the producers are demonstrating in Ottawa. I believe we have about a two-year supply; they have a five-year supply. They would swamp us in those items.

When it comes to corn, there is very little impediment to corn moving across the border. We are at a point now where there is a zero tariff, so there would be no effect. In the case of soybeans, we do not produce enough for the market, and so we allow soybeans in duty-free in order to help our livestock industries and also the chemical and food industries that use soybean products. Regarding vegetables, we would be inundated with most of them for the reason that they produce them in larger quantities.

US industries are highly subsidized in ways different from ours. For one thing, the money that is borrowed by farmers in the US is usually at about two per cent less interest than in Canada. They have rural electrification subsidies. There are huge transportation subsidies to the American highway network.

The American southwest, which produces a great many of the vegetables, in California and in Arizona, is very highly subsidized in the matter of water. Those farms could not exist were it not for the billions of dollars poured into water systems to bring water down from the Rocky Mountains into those dry areas.

I submit there are very few areas in which we would gain in agriculture. The one obvious one is hog production, where we could eliminate the

countervailing tariff they charge against our hogs; however, I do not think we in this country want to limit ourselves to the production of one livestock item. The prospect for cattle is not quite such a clear situation, because beef cattle do move freely both ways across the border, depending upon the time of year.

As the leader of the third party has mentioned, there are very good reasons for the committee decision that Ontario agriculture should not be part of that bargaining situation.

I believe we have already obtained some benefits in talking in that the members of the General Agreement on Tariff and Trade have changed their stance, which was to avoid talking because we are coming up with a new round of GATT. They have now said they will do some talking. I think our talks may have inspired a little sense on the part of Congress, in that it is not in a position to be able to say to the President he is not doing anything; the President is doing something.

I recognize there are dangers in this thing, but I do not think we can start the action and just withdraw precipitately. I am reminded of the Chinese proverb, "Those who would ride on the back of the tiger better be careful they do not end up inside." I share those sentiments. I wish I had more time to go into greater detail, but other members wish to talk, so I will surrender to them.

Mr. McFadden: First of all, let me congratulate the chairman of the select committee. I think he did an absolutely first-rate job over a lengthy period of time, day after day. I know a lot of members right after the election, with the calling of the assembly, were finding it a bit tiresome going for three and four days a week through the summer and then on through the fall; but throughout all of the committed hearings he kept his temper and ran everything well in the face of large numbers of witnesses, arguments among members and discussion. He deserves a lot of credit for having done an excellent job as chairman of the committee.

I enjoyed my work with all the members of the committee. It was a hardworking group that took its responsibilities very seriously. During the course of our work from July right through until the House came back in mid-October, we heard witnesses from a tremendously broad range of organizations, with an equally broad range of points of view and perspectives.

I was tremendously impressed with the commitment of members of the committee to investigate seriously and thoroughly the trade and other economic issues facing Ontario and, as

well, the dedication of the members to develop policy approaches which will protect and enhance the economic and social wellbeing of Ontario and Canadians more generally.

The one matter I found a bit disappointing in the process was the tone of the dissent filed by New Democratic Party members of the committee. There were two specific passages I found a bit disconcerting and disappointing. One passage of the dissenting view went as follows: "The Liberal and Conservative members of the committee, in our view, have done a grave disservice not only to the people of Ontario but to the country as a whole. Indeed, it is hard to believe that we all sat in the same rooms and listened to the same evidence and submissions, because the majority has ignored the recommendations of all the labour organizations and many of the industries that appeared before us."

The dissent goes on to say a little later on: "We hoped that the committee would treat its mandate seriously, that it would carefully weigh the benefits and the cost of free trade, that it would carefully examine the options, and that it would explore the alternatives to free trade. We hoped that, in so doing, the government of Ontario could provide national leadership on the issue of free trade."

"Unfortunately, the ideological biases of our Liberal and Conservative colleagues have got in the way."

I personally felt those passages and a couple of other references were denigrating to the other members of the committee, because every member of that committee, whether Liberal, Conservative or New Democrat, took his job seriously. What I found in those remarks was some kind of political macho game being played here, which implied that somehow the dissenting members of the committee were better Canadians than the other members of this committee. I am proud to be a Canadian and, not only that, I am proud to be a Canadian nationalist. I take my responsibilities to this province seriously, as I know the other members of the committee did.

9:30 p.m.

The committee was engaged in a serious consideration about the future of Ontario. All the members of the committee took that obligation seriously. I do not think that process is in any way enhanced or that any consensus-building is even possible with the kind of partisan posturing set out in the dissenting statement. There is nothing wrong with having a difference of opinion and a thoroughly good argument. That is what makes our system work well. It was the type of

denigrating tone that did a disservice to the work of the committee.

I move on now to look at the issues raised before the committee and in the report, and to discuss those in the context of the Ontario economy and our future direction. The current discussion across Canada about trade with the US is a healthy development. It is forcing Canadians to confront, for the first time in a long while, the realities of current economic life worldwide. It is bringing into clear focus for all Canadians the importance of international trade in a way that many Canadians did not realize and is clearly establishing in Canadian minds the growing dependence we have on the US market.

Canada's reliance on the US is overwhelming. The reliance of the Ontario economy on the US is alarming. Page 2 of the report has a graph which shows that some 90 per cent of Ontario's exports are to the US. The next largest market for our goods is Europe, with only four per cent. Any company, jurisdiction, country or province that depends on one market for 90 per cent of its export is in a potentially very unhealthy situation.

Canada's reliance on the US has increased precipitously during the past century. In 1911, only 35 per cent of Canada's exports went to the US, and that was during the election when reciprocity with the US was a tremendous issue. There were real concerns even then about Canada's dependence on the American market. We are now, in the 1980s, in a situation where 80 per cent of Canada's exports and 90 per cent of Ontario's exports go to the US.

The vital, direct importance of this trade to Canadians, and particularly Ontarians, is reflected in the statistics shown on page 18 of the report. They show that some one million workers in Ontario depend for their employment on exports to the US, considerably greater than the 700,000 other Canadians who depend on those exports. One million Ontarians are dependent for their living on our ongoing trade relations with the Americans. That means one job in four in Ontario is dependent on exports to the US, and fully one job in every two jobs in the manufacturing sector is dependent on American exports.

Given our dependence on exports, it is essential that we look in a very serious and comprehensive way at the world economic scene and our role in it. Traditionally, until virtually the current day, our national and provincial wealth depended on the production and export of raw materials and natural resources, mining, forestry products, fishing and agriculture. Today, our

position as a supplier of natural resources is being challenged by developing countries, and further is being called into question by a changing market demand for commodities.

As the natural resource sector upon which we depended for so many years comes under increasing pressure, we also witness the development of new industrial centres such as Japan, Korea, Taiwan and Hong Kong, to name only a few. The concern is that these countries are no longer technologically inferior to Canada or to Ontario. In some respects they are superior to us technologically. When we see the impact Japan has had, we can only imagine the effect a newly industrialized China or India could have on Canada and on North America. These gradually industrializing countries are new and very potent competitors.

However, we should also remember that as those countries grow and become wealthier and more able to buy things, China, India, Hong Kong, Korea and Japan represent a new and very large market for our goods and services as well. The shock for Canada is that we are moving from a world that needed our resources to a world in which we will have to compete with other countries on a very equal footing in a good many areas.

Given this increasingly competitive world, we are going to have to move ahead aggressively with a tremendous degree of innovation. We cannot simply pull up some form of economic drawbridge and create a new fortress Canada, as some people seem to suggest. We are going to have to develop a practical and realistic strategy, both domestically and in our international trade relations. The interim report of the select committee provides a useful starting point, but only a starting point; a great deal needs to be done.

I would like to comment on three specific areas of trade policy: (1) interprovincial trade, (2) Canada-US trade and (3) international trade beyond the USA.

We currently do not have free and unrestricted trade within Canada. There is a whole variety of barriers, ranging from government procurement policies to various regulatory policies, that limits and restricts trade between provinces within our country. These artificial barriers within this country stunt the growth of Canadian companies and ensure in many cases that we are uncompetitive internationally, both in selling abroad and competing domestically against goods being imported. It means that many of our companies cannot secure economies of scale even in

servicing the domestic market, since market access is artificially limited in this country within an already small national market.

To deal with the highly competitive world our corporations are facing, it is essential that we work to break down existing interprovincial barriers to trade. This was the thrust of the third and fourth recommendations of the select committee's report, which we strongly endorse.

The important thing is that Ontario must lead the way in the breaking down of interprovincial trade barriers. It is all right and it is justifiable for us as a province to ask for a provincial voice in the negotiations with the US on the next GATT round, but it is even more essential, in my view, that Ontario provide leadership within this country to ensure that negotiations on the removal of interprovincial trade barriers move ahead at the same time as any trade talks that might be in progress to enhance or enlarge trade with the US or the rest of the world.

We cannot afford either to get involved in some enhanced treaty agreement with the US or to open our markets under a new round of GATT with the existing network of interprovincial trade barriers. In my view, we must follow as a general principle the idea that Canada should be open to all Canadians.

9:40 p.m.

The second area to which I would like to turn is Canada-US trade. As we have heard tonight, as is clear from reading the newspapers or watching television, and as was reflected in our committee hearings, opinion is very divided on the Canada-US trading relationship and where we should go from here.

Opinions from witnesses who appeared before our committee ranged from those who favour a comprehensive free trade agreement with the US to those who favour trade talks to enhance trade opportunities and to protect existing US markets, all the way to those who want no talks with the US on virtually anything.

The overwhelming majority of companies, associations and individuals appearing before our committee favoured holding trade talks with the US. The preponderant number, as the chairman commented, was very clearly in favour of at least protecting our existing markets and, if possible, expanding further opportunities in the US.

This view of expanding relations with the US and protecting existing markets was expressed by a broad range of groups: Algoma Steel, Stelco, Polysar, Connaught Laboratories, the Canadian Business Equipment Manufacturers Association,

the Royal Bank of Canada, the Bank of Montreal, Manufacturers Life, the Canadian Wall Covering Distributors Association, the Consumers' Association of Canada, the Canadian Manufacturers' Association and the Board of Trade of Metropolitan Toronto, to name several of them.

Of course, others who appeared before the committee were opposed to any talks whatsoever or wanted them in a very restricted way.

It was the view of the committee, and our view on this side of the House, that trade talks with the US are essential. However, there are certain matters that are not negotiable and should not be on the table. These matters relate to cultural and political sovereignty and the whole range of social security programs we have developed in this country.

There is no way our unemployment insurance system, our medicare program or any of the other programs that form a vital and essential part of our security system in this country should be open to negotiation.

Recommendation 17 of the report specifically says agriculture should not be on the negotiating table. That is our strong opinion. We are also strongly of the view, as reflected in recommendation 16 of the report, that the auto pact should not be renegotiated and should not be on the table; rather, it should be looked to as a model for future trade discussions.

Our overriding concern must be to protect our nation's vital economic and social interests in these discussions. Who knows what the results of any trade talks with the US will be? We might have no agreement whatsoever. We might not even get started. Congress could turn it down next spring.

On the other hand, we might wind up with a far-reaching trade agreement with the US. We might wind up with a series of sectoral arrangements in certain mutually agreeable areas, such as steel and chemicals. We might even develop a process to arbitrate and settle disputes through some form of Canadian-American trade dispute tribunal.

Undoubtedly, no matter what comes out of this, we are launching ourselves upon a long and complex process. The member for York South (Mr. Rae) commented on the provincial role in this process. I endorse, as does our party and the committee, a role for the provinces in the negotiations. That is essential. The only matter Canadians should address, and this is my strong view, is the appropriate role for provincial governments in the negotiation of economic

treaties or any other form of international relations.

As Canadians, we should think twice before allowing the provinces to have a power of veto over international agreements. There is no country in the world that submits its treaties for possible veto by member states within it, whether it is the US, any country in Europe or countries around the world. That does not mean the provinces should not be consulted, and it does not mean the provinces cannot take actions that could undermine a treaty, as we could do, for example, in liquor regulations.

We have to be very careful about endorsing a role that would allow the provinces, either singly or in a group, to veto international treaties. As Canadians and on principle, in line with constitutional law, that is taking a very large step and we ought to think twice before we get involved in that approach.

However, we strongly endorse the very direct involvement of the provinces in the whole discussion and planning process. It is essential that our provinces and the national government safeguard our vulnerable industries and communities. We must ensure that vulnerable communities, companies and people in the work force are not sacrificed in any trade discussions.

Above all, we must be hardheaded and practical negotiators who are not afraid to walk away from the discussion table if necessary, if the deal being negotiated is not a good one. As the late President John F. Kennedy said, we should never negotiate out of fear, but we should never fear to negotiate.

In the context of our long, close and friendly relationship with the US, we should approach the talks with a positive attitude, looking for ways and means of increasing jobs for Canadians and enhancing the wealth of our country. If this cannot be done, or if part of the price is too high, then so be it; at least we will have tried to look for opportunities for Canadians as well as protecting their jobs. There is nothing wrong with going out into the world, meeting with the Americans and trying to improve and safeguard our position.

The final area I would like to turn to relates to international trade beyond the US. I think there is a general agreement that, as a country and a province, we are too dependent on the American market. Unfortunately, witness after witness, when cross-examined, was vague about real alternatives. For example, I can recall talking to the Stelco and Algoma executives who appeared before the committee. We asked them, "If the American market were closed off or in some way

limited, where are your alternative markets? Could you sell more steel in Canada?" They said no. "Could you replace your exports to the US by sales to countries in other parts of the world?" They said no.

We have to be very careful in these discussions about what our real position is and what we are going to be capable of exporting worldwide. The committee's report is supportive of reducing impediments to trade through the new round of GATT negotiations and of expanding and diversifying our trade relationships. This area clearly requires a great deal more study, not just by this committee but also by the government of Ontario, the federal government and industry across Canada.

Canada and the rest of the world have benefited tremendously by the general liberalization of trade worldwide since the Second World War.

When I hear some people talk about current trade relations and how we are going to set up trade barriers, do this and do that, I have to think of R. B. Bennett. In the Great Depression, he came up with the strategy of setting up tariff walls around Canada. We were going to become self-sufficient. We were not going to be invaded by American imports or imports from other countries. We were going to blast our way into world markets.

Do members remember R. B. Bennett? Some may. If they have read the history books, they will recall R. B. Bennett's policy towards international trade and business was that he was going to blast his way into the world market. The only thing that got blasted was R. B. Bennett. The voters blasted him out of office. That policy did not work in the 1930s and it will not work in the 1980s or 1990s.

9:50 p.m.

Very clearly, any policy in the world today that is based upon beggar one's neighbour, or limiting or trying to keep people out, if it spreads worldwide will fail consistently and will only bring economic hardship and unemployment. We are going to have to be very innovative in dealing with our international trade, because innovation is the way in which we are going to be successful.

The new round of GATT discussions could be as important, and also as difficult, as the proposed talks with the US. It may well be that the GATT talks will be more difficult than those with the Americans. The one thing we can count on when the GATT discussions open is that the developing world is going to negotiate tenacious-

ly with us. The developing countries will want access to our markets as well as to the markets of other developed countries.

We hear about the problems of the clothing and shoe industries. The problems of our clothing industry do not come from the US; they come from the developing countries. We can only expect in the years ahead, and in any new GATT round, that pressure from the developing countries will grow and become far more severe.

Having said that, as I mentioned earlier there are major and expanding opportunities for trade with the countries of developing world as their economies grow and their incomes increase. The one thing we cannot expect is that the opportunities for trade will come in raw materials, the traditional area for our exports. The opportunities in all likelihood will lie in specialized manufactured products and various services.

We are going to have to display a great deal of flexibility, innovation, imagination and drive if we are to be successful in the changing international economic order. We are going to be forced to display a level of innovation that we have not had to put forward in the course of our history. In my view, the interim report sets out a reasonable and practical starting point. The report sets out the further work and research that needs to be done.

The timetable of the select committee may have to be expanded past July 1986 if we are going to justify the mandate we have been given by this Legislature. We cannot carry out the volume of vital work that needs to be done in the short time we have ahead, given the legislative calendar. Our approach to this whole issue is governed by our view of our country and our people. In a changing world, Canada will either have to adapt to change or be broken by it. The one thing we cannot do is stop the clock. This Legislature is the only part of the world where one can stop clocks on the wall.

We cannot move back into a simpler world that needed and even hungered after our products. The world does not hunger after our products in the same way any more. We are going to have to be prepared to go anywhere and to talk to anyone to advance the best interests of Canada. I am confident that in partnership with farsighted governments, our scientists, technicians, inventors, engineers, workers and entrepreneurs will be equal to this challenge. That is why our party supports the positive point of view taken by the interim report.

Mr. Mackenzie: I want to join my colleagues in giving credit to the chairman of the committee

for a very fair handling of the committee. There was never any question about that and about the right of everybody on the committee to have his say. I also want to give credit to the staff, to Mr. Traficante and the clerk, Doug Arnott.

I agree on at least one point with my colleague to my right, and that is that it was a hardworking committee, probably one of the more interesting and hardworking committees of the number I have had the privilege to be on in my 10 years in this House.

Having said that, I want to make it clear that I am glad the member for Eglinton picked up the difference, the dissent, between us and himself and his party and the Liberal Party on the other side of the House.

This is an issue that bothers me considerably. I think Mr. Mulroney and his Conservative Party and Donald Macdonald and his Royal Commission on Economic Union and Development Prospects for Canada have set an economic agenda for this country of ours that threatens Canadians, both those who have jobs and those who do not. That threat, in my opinion, is the whole comprehensive free trade argument we are now getting.

Despite the technical arguments, the debate is not about simple trade between our two countries and it is not just about tariff or nontariff barriers. The debate is about Canada and fundamental issues such as whose interests the economy of this country should serve and what our social priorities should be. I think free trade is drawing the lines of confrontation between multinationals and working people in this country.

Free traders want a Canada that pays allegiance to the marketplace, that has as its standards the two themes of economic efficiency and international competitiveness and that allows its social priorities to be determined not by the will of the people but by the throw of the economic dice. I think there is a growing consensus in this country that says this vision is the wrong vision and believes that in fundamental ways our economy has failed us. It is a consensus, I think, that argues basically for jobs, for decent incomes, for equality and for security, and I do not see those down the free trade road.

It is against this rising tide that Mulroney's Conservatives, armed with the report of the Macdonald royal commission, seem to be fighting their battle. The Macdonald royal commission has correctly understood that Canada is at the crossroads. A number of others have mentioned that.

The royal commission is quite clear in stating that major changes are necessary, changes it describes as "radical and not cosmetic." But the radical change it envisions is in reality more of the same. The ship of state, according to the royal commission, has free trade as its engine, market forces as the fuel and multinationals seem to be at the helm. For working people, commission members have constructed a few lifeboats, but there are not enough lifejackets to go around.

I want to explore what is behind the logic of free trade. I want to talk about what the theory of competitive advantage means for Canadians, what international competition requires of working people and what economic efficiency implies to our social programs. I think that is the language of free trade.

Free trade is predicated upon the concept of comparative advantage. All professed long-term benefits for Canada under a free trade agreement with the US are based on that abstract theory. In Canada, when we hear the phrase "comparative advantage," We all know what it means. It means the cycle of our resource dependency is strengthened, not broken. It means we will have come full circle back to be the hewers of wood and drawers of water. The Macdonald royal commission itself is very clear on this point. It argued that "Only by moving in this direction will Canada achieve full benefit from its trade." That is found on page 270.

Free traders admit that comparative advantage in Canada in Canadian terms will lead to an expansion of resource-related activities but a significant contraction within many major manufacturing areas. What does that mean for Canada? We know that the growth in world trade is in manufactured end-products and not in the commodity sectors. We know the terms of trade in resources are not in Canada's favour. We know we have a deficit in the technology sector which amounts to a staggering \$12 billion a year. We know the whole concept of comparative advantage is shifting from geography to high technology and cheap labour.

Why, then, should we reinforce our competitive disadvantages? If the political and economic leaders of Japan back in the 1960s had accepted that country's future as an exporter of souvenir trinkets, I wonder where Japan would be today. Comparative advantage spells disaster for many Canadian industries. Even the free traders who were before our committee admit that food processing, beverages, textiles and clothing, furniture, metal fabricating, household appliances, hardware and tools, motor vehicles,

machinery and important industries in the service sector will be losers under free trade. I think it would be a disaster for working Canadians.

10 p.m.

It has been estimated that as many as 20,000 textile and clothing jobs could be lost, as many as 45,000 electrical jobs, 10,000 household furniture jobs and more than half the brewery jobs in this province; and the list goes on. The tens of thousands of Canadian workers who will lose their jobs as a result of free trade are told they will have to become more mobile, they will get some transitional assistance from governments and there will be offsetting jobs created somewhere else.

One of the funny things about the committee hearings was that we asked this question time and again of those who favoured free trade, and nobody could tell us where the new jobs would be. These are not the reassurances that would or should compel us to take a leap of faith into a free trade agreement with the US.

Canadians are being told to give up real jobs today for the imaginary jobs of tomorrow; and I say to that, "Thanks, but no thanks." Free traders are constantly clamouring about the need for Canada to become more competitive in international markets. They believe a free trade agreement with the US will accomplish that goal. In other words, free traders believe that forced and unplanned industrial restructuring is precisely what Canada needs. They admit there will be a difficult period of adjustment, but they argue that in the end we will be better off.

Who will really be better off? I would suggest that the new rules of international competitiveness always mean it is the multinationals that are better off and not ordinary working people. International competitiveness in a world that can successfully combine the technology of advanced capital with the labour conditions of feudalism can only serve to undermine our standard of living.

Let me point out what I mean by that. The most modern steel mill in the world today is in Nigeria, where workers earn about \$400 a month. South Korean workers produce high-technology goods for a couple of dollars an hour, and Filipino workers earn a fraction of even that amount. The case for international competitiveness is in fact an attempt to impose the international labour market on Canadians.

From the perspective of competitiveness, Canadian wages will always be too high, environmental and occupational health regulations too stringent, the cost of social programs

too exorbitant and the corporate tax load too burdensome. From the standpoint of competitiveness, everything is a cost. How will we care for our sick, our needy, our old? These will also be construed as competitive disadvantages. We have seen this already in the unemployment insurance benefits arguments involving our fishermen on the east coast.

Competition, free-trade style, is simply a mug's game. The optimistic claim that free trade will encourage companies in Canada to specialize, rationalize production, increase productivity, capture new export markets and generate offsetting jobs is simply not supported by the facts or by any evidence that came before the select committee on economic affairs.

If free trade is the answer to our perceived lack of competitiveness, why does the forest industry, which operates in a North American context of free trade now, by its own admission have the equipment that was put in place 70 years ago, while the auto industry, which operates in a North American context of trade safeguards, is one of our most technologically intensive industrial sectors, with computer-aided design and computer-aided manufacturing robotics, just-in-time inventory and what have you?

By 1987, as a result of the Tokyo round of GATT, more than 80 per cent of Canada's exports will enter the US duty-free and 65 per cent of US exports to Canada will be duty-free. This staged reduction in tariffs has not brought about the anticipated benefits predicted by free traders. In fact, during that period our trade deficit in value-added manufacturing products has actually increased.

There is now no reason to believe that a further staged reduction in tariffs and in nontariff barriers will accomplish what has yet to be accomplished. Instead, we will see Canadian companies move south, and there was ample evidence of that before the committee; we will see US branch plants repatriated or moved offshore and we will see Canada become even more vulnerable to high value-added imports.

Free trade, we are told, will bring about greater economic efficiency. We all share that goal. We all want Canada to be more productive; we are all in favour of greater economic efficiency. However, here again free trade arguments distort rather than reveal the issue. What is so efficient about the extracting and selling of our nonrenewable resources to pay for our colour televisions or our fall wardrobes? What is so economically efficient about the

marketplace when it comes to the aerospace industry, as an example?

Remember, it was the private sector in the marketplace which has already once abandoned the aerospace industry in Canada. The entire global aerospace industry is dependent on government procurement, public purchases—not the marketplace.

No one would argue Japan is inefficient. It now has a five-year plan to become a major player in the aerospace industry. Did Japan decide that, given all the rules of comparative advantage and economic efficiency, it would just buy aerospace products on the international market? This is a recent decision. No, it did not.

Instead, Japan invited US companies to set up in Japan to meet demands for local content and technology transfers. That requires strategic planning, but in Canada, free traders want to abandon that opportunity and leave the fate of our industrial economy to the decisions of foreign countries and producers.

Once again, we can see what lies behind their claims. Economic efficiency, free-trade style, is about supporting the leaner, meaner industrial machine; it is not about rational or national economic decisions. Economic efficiency, free-trade style, is about subordinating social needs to the marketplace.

Again, the Macdonald commission is very clear on that point. It talks about how our social policy instrument should impose minimum constraints on market mechanisms and thus minimum constraints on efficiency. In other words, economic efficiency will mean tradeoffs.

However, what are the tradeoffs? For working people, they mean giving up what we believe economic activity should be all about: security, expanded social services, improved equality. These are precisely the issues which for multinationals are not tradeoffs at all. These are the things against which big businesses have always fought.

Free traders have taken legitimate national concerns and used them as an opportunity to promote the corporate vision of Canada. For example, it is clear that the rising tide of protectionism in the US must be stemmed. It is true that increasing trade friction between our two countries must be addressed, but we have seen the skirmishes and trade wars between Canada and the US in steel, hogs, lumber, fish, urban transit, etc. At last count, there were about 300 protectionist pieces of legislation percolating in Washington. While very little of this legisla-

tion is focused specifically on Canada, we could be sideswiped in the process.

We know that these problems are real, but free trade is not an honest, open approach to resolving these issues; it uses our current problems as a way to promote the interests of business, not those of the Canadian community. That is why the alternatives to free trade are never explored. That is why, when alternatives are raised, they are so quickly rejected.

Free traders have rejected managed trade, fair trade or the alternative to free trade, but look at the current situation, Mr. Speaker. Much of the trade between Canada and the US is composed of parent companies trading with their subsidiaries or associates; in other words, it is already managed trade. It is just that it is managed by individual corporate headquarters.

Managed trade between countries would involve countries determining what is in the national interest, but free trade, that is managed trade between companies, involves decisions about what is best for the companies' tax accounts, labour costs, overheads and the bottom line. Free trade chooses one set of managed trade relations over a different set and then hides them in the choices and language of the free market.

Those of us who oppose free trade are sometimes called naive, myopic, protectionist, narrow, arrogant and what have you. However, I am convinced that, once again, when the true costs of free trade are explored and the false promises exploded, Canadians will overwhelmingly reject it. They already may be doing that. It was obvious in the federal Tory background paper that said, "Hey, we should keep this issue as low-profile as possible." That clearly indicated they did not want the discussion if they could help it.

The Macdonald commission is startlingly frank in its observation of our choices. The commissioners have argued that, if we do not accept free trade, our current situation might lead very quickly over the next few years to one that calls for a planned economy.

Right there we have the story. That is what frightens free traders. Rather than face the prospect of managed trade and seize the opportunity to plan our economy, free traders would rather risk Canada's sovereignty; they would rather see the complete integration of our economy with that of the US; they would rather see our workers compete against workers in parts of the globe where even basic human justice is denied. I do not think that is the route for our country to go.

I close by saying that once we start this free trade route and open up the negotiations, we are putting everything on the table. The minute we put everything on the table, we start the tradeoff. That would be a mistake and that is why our party is so vehement in its opposition to free trade in this country.

10:10 p.m.

Mr. Stevenson: There has been a suggestion that we reverse the order here so that if I have any time left over, the member for Wellington South can use it.

Mr. Speaker: It is agreeable with me if it is agreeable with the House.

Ms. Fish: There are only 11 minutes left.

Mr. Stevenson: Eleven minutes. I thought there were 15. There will not be much time left over then.

My party wishes to go on record as being opposed, in the strongest possible terms, to the inclusion of agriculture in the discussion of free trade between Canada and the US. I will get to a few possible exceptions later, but we are in favour of a general exclusion or, in other words, we are opposed to a general inclusion.

I will go very briefly through a few of the agricultural sectors and expand somewhat on my thoughts. In the fruit and vegetable area, we could not compete with most crops. We simply do not have the length of growing season that California, Florida and Texas have. That means our capital investment in a lot of these crops is not used as efficiently as that in the US where similar crops are grown. In general, we find ourselves in a more costly production area with much lower seasonal yields than the US tends to get in many crops in those areas.

For the commodities in which we do have orderly marketing, free trade would destroy much of that marketing system. The retailers of the produce would simply pick up the phone to call a wholesaler or broker and order their needs in by the truckload from the US. They would not go to the somewhat extra effort of dealing with the smaller producers here in Ontario.

In the area of fruit and vegetable processing, most of our processors could not compete with those in the southern US who run year-round and, quite often, on one commodity. They do not find it necessary to switch commodities many times over the same processing equipment, as we do here in Ontario.

In the area of supply-management marketing boards, we just have to look at the dairy, feather and tobacco industries in order.

The whole marketing structure of the dairy industry would likely be destroyed under totally free trade. That would mean financial disaster to most of our dairy producers. It is interesting to note that in some years the excess production of dairy products in the US is enough to supply the whole Canadian market. It is very difficult to deal with a production giant such as we have south of the border in a situation such as that.

In the feather industries—eggs, broilers and turkeys—certainly the likelihood is that our supply management and orderly marketing would again be gone. This is not just a loss to producers; it is also a loss to consumers who have a uniform supply of excellent-quality product available to them every day of the year and available from Ontario and Canadian producers.

For example, in the southern US, where great numbers of broilers are produced, they are produced in very cheap barns with quite inexpensive labour. A few people may recall two years ago when there was a heavy, wet snowfall in some of the northern areas of the southern US. That heavy snow caused the collapse of many very cheap buildings in which the broilers were housed. Large numbers of chickens suffocated under the weight of the buildings and snow.

That clearly indicates the sort of facilities they have built there, the cheapness of those structures and the toughness of the competition Ontario producers would have to go up against in a free trade situation. In our climate, we have to build fairly costly, well-insulated structures for these birds to be produced, particularly in the winter-time. It is very difficult to see how our producers, without some degree of protection, could possibly compete with those in the much milder climates of the southern US.

In much of the US, the production of eggs and chicken meat is totally integrated. There are huge operations; by and large, the family farm has disappeared in these production structures. In the few cases where the family farm does exist, generally speaking the farmer is paid only for his labour. Many times the barns are put up by the companies involved and quite often they are subsidized by state governments.

To get a processing industry in a particular part of the state, they will help that industry become established. These barns go up, usually with excess space for production of birds, which generally leads to overproduction. The farmers feed the poultry, and that is about their input. They get some very modest amounts of money to do that sort of work.

It is also very clear that as the feather industry would most certainly be diminished in Canada, so too go the processors. It would be impossible for our processors to compete against the processors in the southern US, partly because of the nature of the facilities and because of the much less expensive labour there. It would have a great social impact and a great impact on our economy to reduce the processing area. Certainly, one cannot have production without processing or vice versa. We do have a very well co-ordinated industry in this province and in Canada. It is beyond me why anybody would want to tamper with it to the extent the federal government appears prepared to tamper with it in free trade.

10:20 p.m.

We can look over various commodities in agriculture and see where some might wish to explore free trade just for protection. As I understand the position of the lumber and steel industries, they are largely interested in free trade discussions to stop countervail action against them in the US. I was not part of the committee and I did not hear their presentations, but from following the media and doing some research on my own, it certainly seems their main interest is largely for protection and somewhat less for the expansion of markets. To that extent, it is possible the Ontario Pork Producers' Marketing Board and the Ontario Cattlemen's Association may wish to have their commodities included in discussions for free trade, again for protection.

As well, not only tariff protection but also nontariff items frequently come up in food imports and exports. All we have to think of there is the chloramphenicol situation that occurred this past spring, where some states stopped accepting Ontario pork products because of the use of the chloramphenicol drug in swine production.

I also want to mention agricultural machinery very briefly. There was some thought a while ago that free trade in agricultural machinery might be to the mutual benefit of both countries, and I believe some companies may still feel this way. However, anyone who read the Toronto Star last Sunday will know that it contained an article about Gerry Brouwer, a very successful businessman in the Keswick area who produces sod equipment, turf grass equipment, and has developed a very successful company in the last 10 or 15 years. He stated quite emphatically in this article that he would have great difficulty competing in the American market in a situation of free trade and that he would certainly have to

reassess his production standards and his production organization if free trade came about.

In summary, there may be a few cases in which agricultural commodities may want to be included, but certainly in general it appears to me that most of the impact will be negative, and we have to look at this very carefully.

Mr. Ferraro: I wish to thank the member for Durham-York (Mr. Stevenson) for the intent if not for the reality.

In the extensive amount of time I have, I would like to say initially that it was a pleasure for me to participate with the other members of that committee. I offer my congratulations to the chairman, who so very ably filled that position.

As indicated earlier, the mandate of the committee was essentially to deal with issues relating to bilateral trade between the two countries, Canada and the US, and to review their implications for Ontario.

What did we conclude? We unanimously concluded that the idea of comprehensive free trade was not possible. That the New Democrats indicated—and I agree with the member for Eglinton—that the majority decision of the Liberals and Conservatives was to some degree un-Canadian really surprised me, because I think one can respect one another's views, as I do. I respect their views without being sarcastic. I think that was uncalled-for.

Let me conclude by saying that the report is good. The 20 recommendations set the tone for Ontario's involvement. I look forward to the upcoming discussions in the committee.

Mr. Morin-Strom: Clearly, Canada is once again in a serious fight in this issue of free trade with the US. This debate has recurred regularly in Canadian history and it has always ended with the same conclusion, a conclusion I share with a growing majority of Canadians. That conclusion is that Canada will lose from economic integration with the US, becoming a resource colony. Quite literally, we will be the "hewers of wood and drawers of water," an expression originally coined by Nova Scotia scientist Abraham Gesner in a similar debate in 1849.

Prime Minister Mulroney and the federal government have now started negotiations towards a comprehensive free trade deal with the US. However, even the 2,000-page Macdonald commission report could provide no tangible evidence of the benefits to Canadians from such a deal. Instead, we are asked to rely on a leap of faith.

After reviewing the reports of the federal task force and the Macdonald commission and after

participating in 10 weeks of hearings before Ontario's select committee on economic affairs, I am strongly opposed even to discussing freer trade with the US. As a New Democratic Party member of the select committee on economic affairs, I cannot agree with the perspective of the majority. While I support a number of the recommendations contained in the majority report, I do not share the enthusiasm of the Liberals and Conservatives for the concept of bilateral free trade with the US.

The submissions the committee received, whether from those in favour of free trade or from those opposed, contained a number of themes. First, there were serious concerns about the consequences of free trade. Second, as a country we do not know enough about the impact of free trade on various regions, sectors and communities. Third, there is clearly not a national consensus on this issue.

Instead of responding to these concerns, instead of saying clearly that the Prime Minister's initiative is premature and instead of saying that we as a nation require a solid consensus before proceeding, the Liberals and Conservatives have joined together to accept the agenda and schedule of the federal Conservatives. In contrast, the New Democratic members of the committee strongly object to the Prime Minister's decision to begin negotiations on a bilateral free trade agreement with the US.

There is no question about the importance of our US trade ties, but the extent of our open trading relationship leaves Canada vulnerable to US protectionist actions or threats. Any further movement towards economic integration would leave Canada even more vulnerable in the future.

In dealing with the US, I would far prefer us to be operating from a position of strength rather than from one of weakness. Brian Mulroney to date has shown nothing but weakness. He has given in to Reagan completely on issues such as the Foreign Investment Review Agency, the national energy program, cruise missile testing and acid rain. We have got nothing back in return. These could have been strong negotiating tools.

Many free trade advocates suffer from a branch plant mentality of Canadian inferiority and subservience to the US. In fact, many are former executives of Canadian subsidiaries of US companies, as in the case of both Brian Mulroney and Donald Macdonald.

The most serious problem facing Canada in this debate is the American definition of free trade. It bears no resemblance to what the words

might mean to the average citizen. Continually in our hearings, we heard references to the US desire for a level playing field. The American concerns are not tariffs, but rather our economic and social policies. Any economic, social or political policy that would give a cost advantage to a Canadian firm over an American one is viewed by the Americans as a subsidy that must be eliminated under their definition of free trade.

There would be pressure on the Canadian government to match the US in such fields as taxation policies, labour laws, environmental regulations and private ownership of our forests. It could mean the end of many Canadian social programs, agricultural marketing boards, government purchase preference for Canadian-made goods and regional development grants.

Most seriously, a free trade agreement would take away Canada's option to develop a serious industrial strategy. More than any other recommendation, the economic affairs committee heard repeated witnesses stress the need for an industrial strategy before we set out on a new trade policy. Our economy remains severely unbalanced. We run large surpluses in raw materials and semi-finished commodities that utilize our valuable resources, while providing relatively few jobs. At the same time, we have a large deficit in finished manufactured goods that are high value-added and more job-intensive.

In Ontario, we need an industrial strategy that reduces our dependence on foreign ownership and resource exploitation. Rather than trade liberalization, we should aim for greater self-reliance by focusing on import replacement, more Canadian content requirements and putting more value-added in our resources by manufacturing finished products here in Canada.

10:30 p.m.

The issue is jobs. I believe that only through a coherent industrial strategy can we generate the new jobs Canada needs. Under free trade, most of the jobs will move to the US, and that is where workers would have to move also.

Northern Ontario's opportunities for industrial diversification would be especially hard hit because regional incentive programs would disappear. Like Abraham Gesner 140 years ago, I fear that free trade will reduce Canadians to the literal hewers of wood and drawers of water for the American empire. This is the historical challenge we face and I am here to ensure that does not happen.

On a motion by Hon. Mr. Sweeney, the debate was adjourned.

Mr. Speaker: The question that this House do now adjourn is deemed to have been made.

MINISTER'S COMMENTS

Mr. Speaker: Pursuant to standing order 28, the member for Rainy River has given notice of his dissatisfaction with the answer to his question given by the Minister of Northern Development and Mines. The member has up to five minutes and the minister has up to five minutes to respond.

Mr. Pierce: I would like to speak with reference to standing order 28(a). This afternoon in question period, I asked a question of the member for Cochrane North. The question was simple and straightforward. I will repeat it now:

"My question is for the Minister of Northern Development and Mines. Did the minister make the statement in Fort Frances on Saturday, December 7, 1985, 'Jack Pierce and Leo Bernier are liars and if you do not believe me, go and ask God.' It is a question that requires nothing more than a straight yes or no answer."

The question is straightforward. There is no catch to it; there are no hidden surprises; there is no long preamble. It simply asks the minister if he made the statement quoted. I think this is a serious matter. The entire incident and the way it has been handled reflect on my privileges as a member, as well as those of the member for Kenora (Mr. Bernier). More than that, this incident reflects on the Legislature; it reflects on all the members of this House and this government.

As a new member, the rules and regulations that govern debate, that set out a procedure for the passage of legislation and establish what can and what cannot be said in this chamber at times seemed a little old-fashioned to me. In the few short months I have been a member of this House, however, I have realized that these rules, however strange they may seem at a glance, serve a very useful purpose. They set a tone for debate and they assure the public that business is conducted in this Legislature in a proper and fitting manner.

I recognize, as has been pointed out by the member for Brant-Oxford-Norfolk (Mr. Nixon), that these rules do not apply outside this chamber. I recognize and appreciate the limitations that are set on your office, Mr. Speaker, to ensure that members carry on in a reasonable and responsible manner in public at all times.

I brought up this question because I am disturbed. I am also appalled that the expression belongs to the member from Brantford. I am

disturbed when a member makes an allegation such as lying against another member, especially a new member.

The people of the northwest know the member for Kenora; he has represented their interests for many years. They know how to judge any statement made about that member being a liar. But I am a new member. I am still establishing a profile in the House and in the great riding of Rainy River. I am far from having the public reputation the member for Kenora enjoys.

When a minister of the crown comes to my riding and tells the council of the chief community there that I am a liar, I am concerned. I asked the question of the minister because I wanted his reply on the record of this chamber. This is not a simple case of one member's word against another's. I first heard about the minister's expressions about my character and the character of the member for Kenora from a local radio station. A trained journalist heard the remarks I have repeated in this House today and stands behind them.

I can understand that there is a need for care and caution when dealing with situations like this. Perhaps the suggestion posed by the member for Don Mills (Mr. Timbrell) is the best. In the meantime, I believe I deserve a full and frank answer to my question. All I asked for was a simple yes or no. I believe I and the member for Kenora deserve that respect and consideration from the member for Cochrane North.

The people of Rainy River and Kenora who heard that radio broadcast want to know if the member will stand behind his words. I think the whole House deserves that answer also.

I do not want a discussion of ethics. I and the member for Kenora are also members of a church and follow the precepts of a faith. We are as concerned about personal integrity and honesty as the member for Cochrane North. We deserve an answer. I hope he will use his good offices to provide us with it.

Hon. Mr. Fontaine: First, when I went to Fort Frances I took a tape too, because I did not trust the two Conservatives in that riding. I bought a tape and listened to it today, and I never said the member for Kenora or the member for Rainy River were liars. I have the tape over here. It is not a Ministry of Northern Development and Mines tape, but people at the ministry did it for me.

Mr. D. S. Cooke: How many minutes are missing?

Hon. Mr. Fontaine: I could talk for five minutes but I will not do it. First, there were two

questions asked of me by the mayor. He said, "I was told the Dash-8 will not fly over here." Second, he said to me that, about the affidavit, the member had said, "We are going to hold a grudge on Mr. Pierce." First, I said there are a few politicians who want to capitalize on the issue. The Dash-8 was the question that was discussed there. Okay?

Then about what the member says about lying, I could say it is close to a lie but I will not say that because I am a good Catholic. I never mentioned the member's name. That is it. That is a transcript by the Ministry of Northern Affairs and Mines. That is all.

Interjections.

Mr. Speaker: Order.

FAMILY BENEFITS REQUIREMENTS

Mr. Speaker: The next matter before the House is the member for Ottawa Centre gave notice of her dissatisfaction with the answer given by the Minister of Community and Social Services. The member has up to five minutes and the minister has up to five minutes to respond.

Ms. Gigantes: You will recall, Mr. Speaker, the question I raised this afternoon flowed from a recent decision in the Ontario Supreme Court in which Mr. Justice Steele decided that a woman who had made an application on behalf of herself and her child to receive family benefits was not eligible to receive them because, when questioned about the paternity of her child, she was willing only to provide a statutory declaration saying she did not know who the father was.

I think that decision raises in the minds of many people the legitimacy of the kind of regulations and interpretation of policy of the Ministry of Community and Social Services as it touches on benefits which we wish to see flow to women who are responsible for their children and need support to raise them. The lives of men and women are different and will continue to be so. The responsibilities for the birth, raising and care of children have been, continue to be, and will continue to be for a long time to come, perhaps forever, the major responsibility of the women of this society.

10:40 p.m.

We acknowledge that in the kind of social legislation we have developed, particularly in the Family Benefits Act, we have sought to provide for the support of women and children when a woman is not capable of providing for self-support and the support of her child. To deny the benefits that should flow to a woman who has

taken on that responsibility, and in particular to the child of such a woman, on the basis she strongly wishes not to indicate who is the father or produces a statutory declaration in which says she does not know who the father is; to deny benefits to that woman and that child, on the basis that she must be subject to further questioning and further explanations, having given such a statement, strikes me and I think will strike most of the people of Ontario as an inadequate policy in 1985.

The answer I had from the minister on the question I raised was inadequate because essentially it said we have to make sure when we give a public benefit, with public money, that the woman involved in the application is not avoiding a claim she should be making on a male, the father.

That assumes that a woman knows who the father of the child is and given life as it has been lived, is lived now and will be lived for years to come, it does happen in life that women have children without knowing who the fathers actually are. It has been known to happen in history. We have all known it to happen and it will continue happening. To deny benefits meant for women and children on the basis that a woman says she does not know who the father is, is to impose some kind of silly, outdated, moral, high-horse kind of attitude to what should be a legitimate claim to public assistance. Remember, Mr. Speaker, there is a child involved.

We do not ask men, when they apply for welfare, whom they have been sleeping with and whether they have had an abortion; we do not ask them whether they have fathered children. We should not put such strictures on women for whom we provide legislated financial public support so that they can provide for themselves and the children for which they have taken responsibility.

Hon. Mr. Sweeney: I am a little unsure as to the purpose of tonight. I can fully understand why the member may disagree with the answer I gave, but quite frankly I cannot understand why the answer I gave would be perceived as being wrong, incorrect, inaccurate or not consistent with the present policy of my ministry, which is what I understood to be the purpose of these evening sessions.

Nevertheless, let us deal with the question.

Mr. Morin-Strom: Can the minister not change the policy?

Hon. Mr. Sweeney: That is not the purpose of tonight's hearing. That is not the reason we have this kind of session at 10:30 p.m. That is another

matter altogether and is dealt with at another time and in another way.

At any rate, let us deal with it. First, the income support programs of my ministry are designed for people who are in need, and for which a need can be proved. One of the factors that is taken into consideration to arrive at that kind of decision is whether the applicant has other resources.

The whole case with respect to Deborah Clifton rests on the fact she refused to divulge sufficient information as to whether it was even possible she would have other sources of income. Whether it would prove to be the case or not is not the issue.

She went before the income maintenance officer and refused to give the information. It was appealed to the Social Assistance Review Board. She again refused to give the information. It went before the Supreme Court of Ontario and she again refused to give the information. In every single case, the result was the same. It was agreed that the director has the right to that information if it is available.

It is not enough simply to say "I do not know" and then refuse—and this is what happened—even to discuss it any further, refuse to share any other information that might permit someone else, if not her, to get the information that was being sought. There was no co-operation whatsoever.

Keep in mind also that we have 63,000 single mothers who are receiving income support, all with valid reasons. However, in each of those cases those single mothers are required to provide sufficient information to be sure they qualify for that support.

Deborah Clifton came along and said, "I refuse to do that." She says it would be an invasion of her privacy; that is the argument she gave. I am not quarrelling with what she said or why she said it; I am simply repeating what she said.

Mr. Justice Steele clearly said that one cannot use this argument when one is applying for a benefit. One must divulge the information so the income maintenance officer, the director or—in the case of Deborah Clifton, one step further, the Social Assistance Review Board, can determine whether she qualifies. It is simply incorrect to say that Deborah Clifton was in any way treated improperly, inappropriately or any differently from anyone else. It was simply her refusal to co-operate.

Let me also put it this way: Part of the issue before us clearly revolves around the responsibility of the ministry of the government to be sure

that the funds it distributes to other people when there is a proven need are given in the proper way. Simply to distribute funds without adequate information is a dereliction of duty.

Keep in mind also that there is a ministry policy that clearly gives discretion to an income maintenance officer or a director, where information is presented to him or her indicating that the requirement for support should not be proceeded with, to waive it. That is done in a

number of cases. I checked after question period today, and the answer was yes.

Mr. Speaker: The minister's time has expired.

Hon. Mr. Sweeney: Where there are obviously personal reasons not to pursue it, it will not be pursued; but the applicant must co-operate.

The House adjourned at 10:48 p.m.

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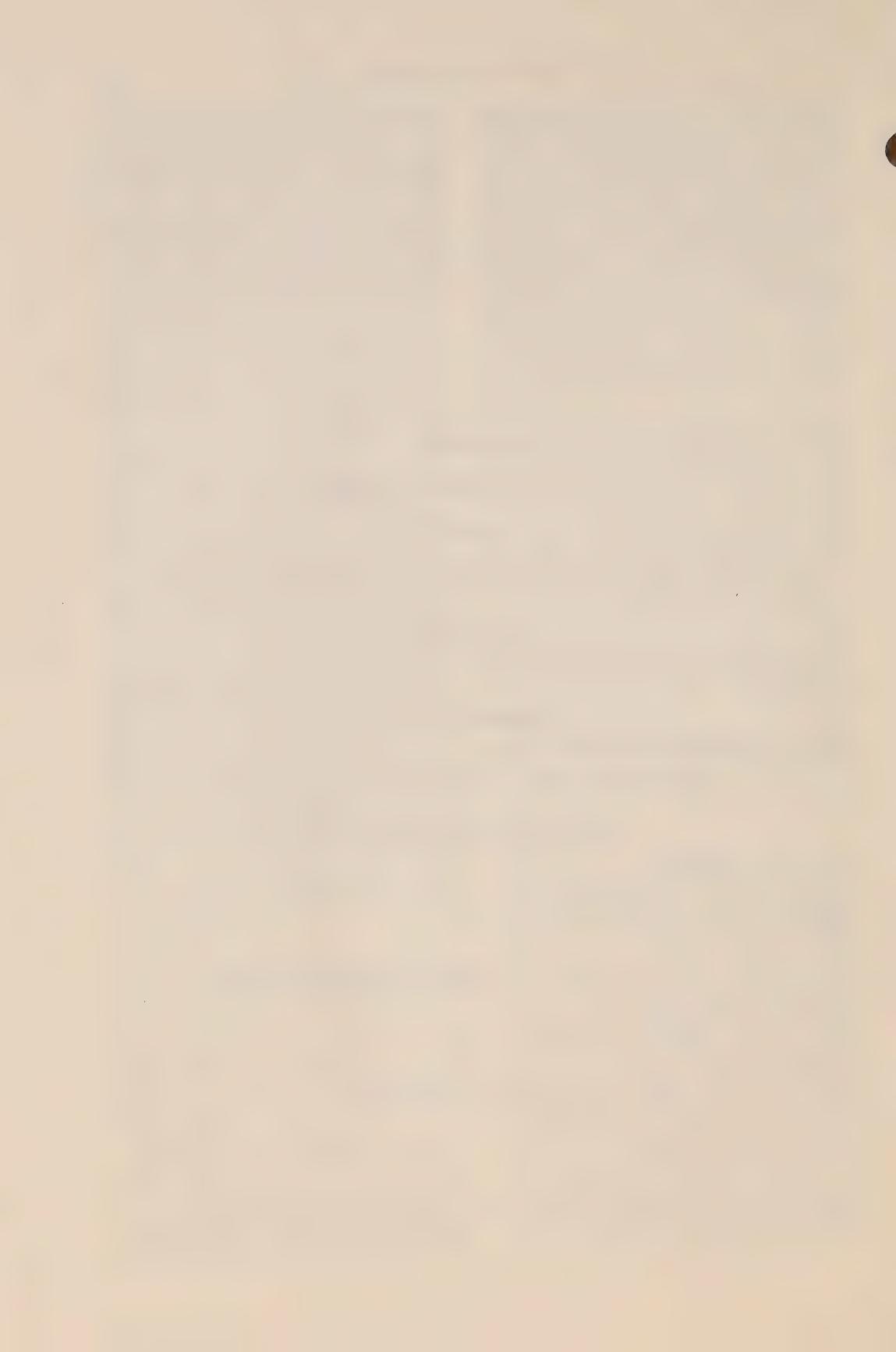
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No. 69

Hansard

Official Report of Debates

Legislative Assembly of Ontario



First Session, 33rd Parliament
Friday, December 13, 1985

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, December 13, 1985

The House met at 10 a.m.

Prayers.

SUPPLEMENTARY ESTIMATES

Hon. Mr. Sweeney: I have a message from the Honourable the Lieutenant Governor signed by his own hand.

Mr. Speaker: Lincoln Alexander, the Lieutenant Governor, transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1986, and recommends them to the Legislative Assembly, Toronto, December 13, 1985.

STATEMENT BY THE MINISTRY

GRAPE CROP

Hon. Mr. Riddell: I am pleased to announce that my ministry and the federal Department of Agriculture will release \$3.4 million in payment to grape growers for the 1985 crop.

The crop was purchased by the agricultural products board and consisted of 10,800 tonnes of this year's harvest. The payment rate per tonne is 90 per cent of the Ontario Grape Growers' Marketing Board negotiated price.

Payments are being made to the Ontario grape board for immediate disbursement to growers. Under this arrangement, the costs of the purchase are being shared equally by the federal government and Ontario.

ORAL QUESTIONS

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: I have a question for the Minister of Transportation and Communications. The Premier (Mr. Peterson) told this House that the government has no preference whatsoever as between a joint venture and an outright sale of the Urban Transportation Development Corp. Yesterday, however, the minister told the Canadian Broadcasting Corp. that Ontario wants to sell UTDC for cash and does not want to enter into a joint venture.

Can he explain to us today which position is right with regard to the joint venture, his or his Premier's?

Hon. Mr. Fulton: I thank the Leader of the Opposition for his question. The original terms and conditions laid down were that we would prefer a cash sale. However, at this time we are prepared to entertain any negotiations with any prospective buyer.

Mr. Grossman: What the minister told the CBC yesterday he is taking back today. Yesterday he said he did not want to enter into a joint venture.

If today's answer is accurate and he is prepared to enter into a discussion for a joint venture, can he explain why British Rail Engineering Ltd., which contacted this government and says it has been trying to get an appointment with the government to discuss a prospective sale for weeks, could not even get a response from the government until it issued a press release yesterday? Immediately thereafter, Mr. Ezrin and others in the Premier's office were scurrying to arrange an appointment.

If the minister is now interested in a joint venture, why did he respond to this firm only when it issued a press release yesterday?

Hon. Mr. Fulton: The company in question was indeed responded to by two of our people responsible for the transaction. A meeting has been set up for the first mutually convenient time next week for both parties.

Mr. Rae: What the minister is saying flies directly in the face of what we have been told by the BREL group itself. It has indicated that it sent a proposal, not for a sale but for a joint venture, to Wood Gundy on November 5, and sought meetings to discuss a proposal with both Wood Gundy and officials of the province. They say, "To date we have had no formal response to our proposal and no discussion."

Can the minister explain why a serious group such as BREL, which is not interested in a purchase but in a joint venture that would give Ontario access to world markets, would have the impression that a deal is being negotiated with other parties such as to exclude it from a fair chance at making its case before the minister, Mr. Kruger and indeed the Premier himself?

Hon. Mr. Fulton: There has been no action taken by this government or people representing this government that could suggest anyone has

been shut out or prejudiced in any way in negotiations that are currently under way. We are meeting with the company in question.

Mr. Grossman: No. The minister has now arranged a meeting with the company in question after he locked them out and refused to talk to them for four to six weeks, after he would not answer any of their communications. Let us be clear. The minister cannot say in this House that he has met them, that he has contacted them or negotiated with them. Now he is able to say it because they issued a press release yesterday and he contacted them.

Hershell Ezrin, the principal secretary to the Premier, whose office is conducting all of these negotiations, stresses in this morning's Toronto Sun that the BREL proposal is not an offer to buy the company and is thus not the same as other offers the province has received.

Mr. Speaker: Question.

Mr. Grossman: Until now the Premier has suggested there were no offers. Now that Mr. Ezrin has acknowledged there are offers, can the minister tell the House what those other offers are, who they are from and why we were told there were no other offers? Tell us about the other offers now.

Hon. Mr. Fulton: I can respond by telling this House that there is more than one company interested in the UTDC proposal. We do not have any firm offers.

Mr. Grossman: Maybe Ezrin and Kruger have firm offers that the minister is not aware of.

10:10 a.m.

ETHYL CARBAMATE GUIDELINES

Mr. Grossman: May I ask the Minister of Consumer and Commercial Relations to try once again to answer the question he was asked yesterday?

On November 6 the minister learned that a number of products sold by the Liquor Control Board of Ontario contained ethyl carbamate, and on November 7 he ordered all products that contained a level above 500 parts per billion to be withdrawn from the shelves on the basis that they were a health hazard. Yesterday he announced that new, more stringent guidelines lower than the 500 parts per billion are now in effect; yet he told the House yesterday it would take six months at the minimum to complete testing.

Can he tell us specifically why he is not prepared to commit whatever funds are necessary to get that testing done immediately and not allow products that he himself thinks may be

dangerous to stay on the shelves for six months until he has taken that extraordinary length of time to do the testing? Specifically, why can he not get the testing done now?

Hon. Mr. Kwinter: I thank the Leader of the Opposition for his question. The problem we have is that the levels below 500 parts per billion, the new levels established by the federal government, are its levels and it is setting up the procedure for determining these levels. Until my people get the methodology, we cannot even start to test. Once we establish the methodology, which will be the federal government's methodology, we will then start testing. We have 3,000 products to test, and to test all 3,000 will take that period of time.

I want to assure all members, though, that the products we suspect—those are products on which we have done a preliminary test to see whether they fit into the 500-parts-per-billion category—will be tested immediately. I cannot give the member a precise time, because I am in the hands of the federal government as to what its methodology is going to be.

Mr. Grossman: How can he have been so concerned last week that he had to tell people to stop buying those same products, when this week he is saying, "Start to buy them; consume them," and he is going to sit back for six months and test them? If he was concerned enough last week to tell people not to buy them, he has to take one of two positions this week. Either he tells consumers not to buy them and not to drink them or he must say that, in his view, they are safe and consumers may go ahead and drink them. Which position is he now taking?

Hon. Mr. Kwinter: The Leader of the Opposition should know I have not changed my position. The federal government has changed its position.

Interjections.

Hon. Mr. Kwinter: If members want the answer, they should listen to me.

On Friday night my officials received a telex from the federal government saying that on Monday it would announce new levels for ethyl carbamate in products across Canada. On Monday morning we called and asked, "What does that mean?" We were told that, as of the announcement, that would be the law of the land and all products would have to conform to these newer numbers. I made the statement in the House on the basis of that information.

The wine industry was very concerned, not with me but with the federal government, and

went to see the minister. At that point he started to waffle and said, "These are not really standards; these are guidelines." At that point I called and said, "Your officials told me these were to be standards." He said: "We are taking a look at it. I had some representations from the wine industry." I said, "You had better get your officials to Toronto so we can discuss it."

They then came to Toronto and met with my officials. We asked: "Are they guidelines? Are they standards? Is it a hazard or is it not?" At that point they said: "Yes, they are standards. It is a hazard, but not in the short term. We will set up procedures and let you know; but in the meantime, in the short term, there is not a problem."

I have conveyed that information about it to everybody.

Mr. Swart: The minister is not answering the question. If he knows so little about the dangers of ethyl carbamate that last Friday he felt there would be a real danger to the public if, for two days, they consumed those wines that the tests had shown to contain more than 500 parts per billion of ethyl carbamate and now he feels there is no danger in consuming those wines for six months, does he not know or does he not now care?

Hon. Mr. Kwinter: The confusion is on the part of the honourable member. The only thing I can tell him for sure is that the products with more than 500 parts per billion have been removed. They present the real hazard.

The federal government—and we are talking about its standards—is saying that products at the levels it has established are in danger in the long term, but not in the short term. I have no other choice but to wait until I receive its methodology to test our products. Those that do not conform will be removed.

Mr. Grossman: We accept that someone else's standards have changed, but the minister is responsible for protecting consumers, heaven help us, in Ontario. He now has to report to consumers about the product he is responsible for selling to them, given the new standards.

Saying the feds have changed their standards is academic to all this. Consumers want to know whether the products are safe to purchase and they are asking the person responsible for selling those products to them whether, in the light of these same standards, those products are safe.

Just as a minister in Ottawa had to determine ultimately, based on standards and other advice, whether tuna fish was safe for sale, I ask the minister whether he is now saying to consumers

this Friday, not last Friday, that the wine being sold to them is safe to consume. Should they drink it or not?

Hon. Mr. Kwinter: I said yesterday and I will say today that in the short term, those wines are safe.

Mr. Eves: What is short term?

Hon. Mr. Kwinter: I will not say it.

Mr. Speaker: Order. I remind members this is Friday the 13th. I hope we get through it all right.

Mr. Rae: It is not only wine that improves with age.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Rae: My question to the Premier concerns the Urban Transportation Development Corp. I would like to go back to the line of questioning started earlier and ask the Premier if he can explain why Mr. Kruger told me on Tuesday that he had received only two serious bids up to that time. Both were Canadian; one was Bombardier and he would not tell me who the other one was.

Can the Premier tell me why Mr. Kruger said that, when today the Minister of Transportation and Communications (Mr. Fulton) said that is not the case? What is the real agenda here? Why was British Rail Engineering Ltd. frozen out? Why was it refused any interviews or any discussions either with Wood Gundy or with officials of the province? How can we avoid the conclusion that this deal has been fixed from the start; that the government has a hidden agenda with respect to UTDC which the Premier is not sharing with the Legislature or anybody else who is trying to bid on the deal?

Hon. Mr. Peterson: The member is getting exercised about the wrong thing because, with great respect, he is absolutely, completely wrong.

Let me quote from a telex to Mr. Plaxton, vice-president of Wood Gundy, Toronto, from Mr. Norman of BREL, which I received yesterday. It is a long one, which I will share with him. One of the lines says: "Your letter of October 21, and attached memorandum, has been discussed by members of the British Rail Engineering board. Their response is that BREL is not at this time in a position to fund an acquisition of the whole or in part of UTDC's shares or assets."

It says they took themselves out of the play.

Mr. Rae: No, no.

10:20 a.m.

Hon. Mr. Peterson: Let me say it is not fixed. If they have a better idea on how to enhance employment and make it grow in Ontario, we are prepared to talk to them. As a matter of fact, I have instructed them to do so. I was not even aware of this kerfuffle until yesterday. There is no secret agenda and no hidden deal being made. We are interested only in maximizing the return to the shareholders, who are the taxpayers of Ontario, and in building jobs and technology in this province. I am not fixed on how that should be done.

Everyone who is knowledgeable agrees UTDC must change in some form. Whether that is a partnership, a privatization, a joint venture or a complete sale has yet to be determined. To that extent, I welcome the views of the members opposite on how that should come about. Believe me, there is no hidden agenda.

Mr. Rae: The Premier has managed to contradict himself completely even within his own answer. He alleges British Rail has taken itself out of the bidding, while its proposal has consistently been for a joint venture, which would protect jobs and ensure continued public investment in Ontario, and not for an acquisition.

The Premier clearly does not even understand the issue at stake. British Rail is not interested in an acquisition; it is interested in a joint venture. What is at stake here is an idea that will give Ontario a continued interest and ownership and that will potentially expand markets. That is what is at stake here.

Mr. Speaker: Question.

Mr. Rae: When the Premier met with Mr. Bourassa last Thursday, did he discuss any offers made by Bombardier? In particular, did he discuss any questions surrounding the continued liability of the Ontario government for any performance bonds that will be taken up by Bombardier?

Hon. Mr. Peterson: Very quickly, Mr. Bourassa asked about UTDC, and we said we were looking at the whole situation. He asked if Bombardier was making an offer, and I said it was interested. The discussions are ongoing. There was no discussion about terms, conditions, liabilities, bonds outstanding or anything like that.

Mr. Grossman: In view of the letter the Premier just read to us between the government and BREL, I remind him that the Minister of Industry, Trade and Technology (Mr. O'Neil) said to us last Friday in the Legislature, "I can

confirm that no foreign buyers have been talked to." On Monday, December 9, the minister said, "I have been told...we have talked to only two Canadian companies." Can the Premier explain the discrepancy between the letter he wrote and the answer given by his minister?

Hon. Mr. Peterson: I told the member we have not talked to them. We got a letter from them.

Mr. Grossman: Is that the game the Premier is playing in the House? Is that the kind of game he plays in the House?

Mr. Speaker: Order.

Hon. Mr. Peterson: My friend opposite is getting exercised again about nothing. He projects his own motivation on to everyone. Let me tell him again, with great respect, he is absolutely out to lunch.

Mr. Grossman: The old Trudeau shrug; it looks good on him.

Mr. Speaker: Order.

Mr. Grossman: I will ask him in the hall. He will have the answer in the hall.

Mr. Speaker: Order. Time is wasting.

Mr. Rae: Last Tuesday, talking about all the terrible things in public enterprise, the Premier said, "For example, every time there is a problem with a truss falling over in Detroit, it becomes a question in this House, which is a system of accountability that is not there for so-called private enterprise."

From the Premier's comments in the House on Tuesday, can I take an absolute guarantee that Ontario will not be stuck with the performance bonds for a truss falling over in Detroit, in Vancouver or anywhere else? Is the Premier giving us his assurance today that the government of Ontario will not get stuck as the insurer and guarantor of last resort once we have sold out to private enterprise?

Hon. Mr. Peterson: I can give the House no guarantees of any deal, because no deal has been made and no one has discussed those situations.

As I understand it, Ontario in its own right has assumed that indemnity for the Vancouver system at least. It is an obligation of the taxpayers of this province to substantiate the guarantee of UTDC. I do not have any legal advice at the moment as to whether that is transferable. That is something we have. The previous government contracted for it. I do not know whether it will be part of the transactions. The discussions have not gone that far.

I understand that the member wants to ask all these questions, and they are quite legitimate, but I can tell him that no decisions have been made.

ACCESS TO MEDICAL TREATMENT

Mr. R. F. Johnston: My question is for the Minister of Community and Social Services. Last Thursday, I asked questions about access to medical treatment for social assistance beneficiaries in Ontario. The minister indicated at the time that he thought there should be equal access to medical treatment for the poor as well as the wealthy in this province, but he said that while his review was going on, "until we come to some resolution and rationalization of the multifaceted program now in place, I am not prepared to change one aspect of it."

How long are people on welfare and social assistance, who have been denied medically necessary travel by municipalities around this province, going to have to wait for the minister to get that first principle of equal access in place and resolve the differences with the Association of Municipalities of Ontario?

Hon. Mr. Sweeney: The point about access is not completely valid, because a program is in place whereby municipalities and this government share the cost of medically necessary transportation. The honourable member is correct, however, in that the municipalities at present have the discretion as to whether they are going to initiate that action before my ministry triggers its cost-sharing.

As a result of the question I was asked last week, I have asked my staff to do a survey to discover how many times we are asked to participate in this kind of transaction and how many times it has been refused. That will be part of the process of changing our relationships with the municipalities.

Mr. R. F. Johnston: The problem is the number of times they are not asked by municipalities.

This morning, I would like to bring to the minister's attention the case of Alan Bristol of the village of Haliburton, who has Buerger's disease, a circulatory disease that stops the circulation going to the extremities. This man now has lost most of his fingers and toes and is to go into Peterborough Civic Hospital today for another amputation and the removal of three blood clots. However, Dysart township has refused him the finances to make it possible for him to go to Peterborough Civic Hospital.

What will the minister do for that case and all the other cases around this province that have to

hold fire while he holds this review, instead of giving them now the equal access they deserve?

Hon. Mr. Sweeney: I am quite prepared to investigate the individual circumstances surrounding Mr. Bristol's need, but at present I do not have the authority under legislation to order the municipality to participate. As I have already indicated, we would have to change our cost-sharing relationships with the municipalities so that we would pay the full shot.

Mr. Cousins: The universality principle of providing service and care to all the people of the province has been a fundamental rule and now we see the minister—

Mr. McClellan: Not with the Conservative government; it never was with those guys.

Interjections.

Mr. Cousins: It is feeding time again. Give them some food.

Mr. Wildman: We had to fight to get the Tories to do anything.

Mr. Speaker: Order; supplementary question.

Mr. Cousins: I am trying.

The principle stands and yet the minister is not standing by that principle. Will he do something? Now that the report is in, and we know people need this help, will he start acting on it? Will he give a commitment that he will do something rather than just look at the report?

Hon. Mr. Sweeney: I remind the honourable member that our funding relationships with the municipalities vary in many ways, depending on the service that is required. The member is not correct when he talks about universality. We do not have it, and that is precisely what is being re-examined.

Mr. R. F. Johnston: Does the minister support the existing municipal veto, or does he think it should be changed and, if so, when is he going to do it?

Hon. Mr. Sweeney: As I indicated earlier, I have no intention of changing it unilaterally. It will be changed only as part of a total package with respect to our funding relationships with the municipalities.

10:30 a.m.

DOMED STADIUM

Mr. Gillies: My question is for the Chairman of Management Board and it is regarding the awarding of the contract for the domed stadium in Toronto. In view of the magnitude of this project and the considerable amount of public

funding involved, will the minister table in this House all relevant documentation regarding the selection process, including the cost estimates and the engineering reports on all four proposals?

Hon. Ms. Caplan: I have not seen the documents to which the honourable member refers. I cannot understand the reason for his question. The member knows the Stadium Corp. of Ontario Ltd. is an agency. I will discuss this with them and see what they have to say.

Mr. Gillies: I am somewhat surprised by the minister's answer. The minister will know, I am sure, that the stadium corporation is controlled 53 per cent by the province, and that is her government.

In view of the legitimate public interest in this contract and the questions that are already being raised in the public press regarding this contract award, and with a view to her government's commitment to open government, will she share with this House all relevant documentation, the cost estimates and the engineering reports? Will she further—

Mr. Grossman: She is getting instructions.

Mr. Gillies: The minister is getting her instructions.

Mr. Speaker: Order. The question has been asked sufficiently.

Interjections.

Mr. Speaker: Order. I really heard a question.

Mr. Gillies: I did not want to interrupt the discussion over there.

Further to that, will the minister give this House, for the first time, a clear and unequivocal commitment that the provincial contribution to this project will not exceed \$30 million?

Hon. Ms. Caplan: I refer the member to the statements of our Premier (Mr. Peterson) regarding funding; those are on the record and clear.

As well, the member knows the relationship between the government and its agencies, boards and commissions, the scheduling of agencies, the establishment of the membership of boards and so forth. I will discuss this matter with the board. Some of the members of that board are very familiar with the procedures of this House and even with some of the members opposite.

There probably has never been a project of this magnitude that has undergone the kind of public scrutiny that this one has to date, with the kind of unequivocal statements of open and responsive—

Mr. Grossman: Who is running the government? Is the minister covering up for them?

Hon. Mr. Bradley: Do the members opposite not trust Paul Godfrey? Do they not trust Bill Davis?

Hon. Ms. Caplan: I was frankly delighted to hear the support and endorsement from the previous Premier of this province, William Grenville Davis. I submit that to the member.

Interjections.

Mr. Speaker: I can wait if the members want to waste the time of other members.

FAMILY BENEFITS REQUIREMENTS

Ms. Gigantes: My question is to the Minister of Community and Social Services. Following on the minister's refusal to consider changing the ministry policy of making a woman disclose why she will not name a father when she applies for family benefits, I want to ask the minister directly whether his policy means a woman who bears a child as a result of a rape must be willing to say she was raped, and perhaps even by whom, before she and her child will receive family benefits?

Hon. Mr. Sweeney: Both during question period yesterday and again last night in the late show, I clearly indicated to the member that the income maintenance officers and the directors have the discretion to waive that obligation provided they are given sufficient information on which to base their decision.

Ms. Gigantes: Can the minister understand that women in Ontario do become pregnant as a result of incest and that our law should recognize their right to refuse to reveal that incest to anyone, especially a government from which they and their children should be receiving extra help rather than extra harshness?

Hon. Mr. Sweeney: The application for general welfare or family benefits is based entirely upon need. It is the obligation of the income officer and the director to determine whether need exists, and they are unable to make that decision if they do not have sufficient information. As they have in the past, they will continue in the future to treat that information with confidence and sensitivity and to waive the requirement if it is deemed to be appropriate to do so.

DRINKING AND DRIVING

Mr. Sargent: I have a question for the Solicitor General—we have not rehearsed this one—in regard to the new laws on drunk driving.

Interjections.

Mr. Sargent: I have been through the course; I have been impaired, yes.

Mr. Speaker: Order. This is question period. Will the member please put the question, and I am sure the other members will listen.

Mr. Sargent: With regard to these new laws, I bring to the minister's attention the old saying, "If you drive, do not drink because 80 per cent of the people are caused by accidents."

Mr. Speaker: Order. Is your question, "Does the Solicitor General agree"? No? Please place your question.

Mr. Sargent: There was a letter in the *Globe and Mail* this morning—this is an aside here—about a young lady who did not think she was in shape to drive because she had had a couple of drinks. She decided to let her boyfriend, who had not had a drink, drive her car. At the spot check where the car was stopped by the police, the young lady told the officer her situation was kind of shaky. Because her boyfriend had not had a drink, the police agreed he should drive. They made a deal. When he could not produce his driver's licence, they held him for three quarters of an hour and charged him \$128.

What I am concerned about is—

Mr. Speaker: "Therefore, I would like to ask the Solicitor General."

Mr. Sargent: In view of the fact that in this House we have an all-party agreement—

Mr. Speaker: Order. With respect, will you ask the question, please?

Mr. Sargent: Will the minister investigate things happening in situations such as this?

10:40 a.m.

Hon. Mr. Keyes: In response to the first question the member posed, I would have to say my wife might well agree that, after six children, maybe the answer is yes.

However, in answer to the second one, it was great to see that, according to the article in this morning's press, the public, including the young lady in question, supports wholeheartedly the reduce impaired driving everywhere program. That is one of the things we have found across the entire province, without exception; the public has supported and appreciated what is happening.

Of course, it is at the discretion of the police whether charges are laid in the event that a licence is not available. In this instance, the gentleman did not have a licence with him and it is true the fine for nonproduction of a licence is \$128. There is no law that says one can have up to

48 hours to produce a licence, which is an impression that some people have; it is a courtesy that sometimes has been extended.

Mr. Sargent: Another flaw in this strict enforcement is that in the outlying parts of Ontario, the towns and villages have one or two hotels. Today these places are totally vacant. They are going to lose millions of dollars in real estate because of this policy of spot checks in front of the hotels. In the cities, subways, taxis and buses are available, but the small towns of Ontario are ghost towns for these hotels.

Mr. Speaker: Order. The supplementary must flow out of the response. Please place your supplementary.

Mr. Sargent: I ask the Solicitor General to work out some way of policing so the RIDE spot checks will not sit in front of the local hotels.

Hon. Mr. Keyes: I believe that was a statement rather than a question, saying he hoped we would work out some type of program that would provide an opportunity for the police not to be in front of hotels. It is not our policy to decide where they set up.

My suggestion to the honourable member would simply be that, in these areas where hotels have expressed concerns about the impact of RIDE programs on their business, they should really be somewhat innovative. We have seen many innovative programs, such as the designated-driver idea, which is wholeheartedly supported by the small hotels. In rural areas we have found there have been volunteer drivers who arrive at the hotels to take people home at night. There have been taxi fares paid. I suggest to the owners of all small hotels that if they are somewhat innovative, they can still carry on and have as much trade as they have ever had.

Mr. Gillies: Could I ask the Solicitor General to give a clear answer to the question asked by the member for Grey-Bruce? Should RIDE and similar programs be in front of public hotels or should they not?

Hon. Mr. Keyes: RIDE programs should be wherever police determine they should make spot checks to be sure there are no impaired drivers on our highways.

USE OF TIME IN QUESTION PERIOD

Mr. Timbrell: On a point of order, Mr. Speaker: I realize we are all concerned, though no more so than you, about the smooth movement of question period. I would ask you to consider extending the period somewhat today, inasmuch as the original question and supple-

mentary took more than four minutes. As important a subject as it is, perhaps by extending question period a bit today some other members would have the opportunity to raise matters of equal public importance. I would ask you to consider that.

Mr. Speaker: I will give it careful consideration.

GOVERNMENT ADVERTISING

Mr. Rowe: My question is to the Minister of Tourism and Recreation, alias the captain of the Titanic. Now that the struggling Liberal firm of Vickers and Benson is feeling confident about the awarding of the tourism advertising agency contract, could the minister confirm or deny that a firm called MacLaren Advertising, a well-known supporter of the Liberal Party, is vying for the position of agency of record, a position overseeing all government advertising?

Hon. Mr. Eakins: For the first time in the memory of anyone in this Legislature, the process is open. I want to assure the member that the selection panel which has been set up has not yet reported on its findings.

The people who have served on that board are: the Assistant Deputy Minister, Tourism Division, Peter Sharpe; the former tourism marketing branch director, Greg McKnight; Patricia Jacobsen, the executive co-ordinator of management policy division of the Management Board of Cabinet secretariat; Robert T. Brown, the retired president of Gulf Canada, and G. Campbell McDonald, the chairman of the Advertising Review Board.

To suggest that the process is not in place and working is to cast aspersions on these people. I think the process is good.

Mr. Rowe: Given that answer on Friday the 13th, can the minister explain to this House how his ministry proposes to mount a crucial tourism advertising campaign for the spring and summer of 1986, a campaign that everybody in the industry knows takes five to six months to put together to be effective? How can the minister put that together when he has not even awarded the contract today?

Hon. Mr. Eakins: It is easy. The process for the winter has already been placed by the previous agency of record and the previous tourism branch. The member should be pleased that for the first time there is a process in place. I defy him or the Leader of the Opposition (Mr. Grossman) to say there is something wrong with that process.

Mr. Grossman: Does the minister want to bet on the outcome?

Hon. Mr. Eakins: I point out that 14 years ago—

Mr. Grossman: I will bet the minister his seat on the outcome.

Mr. Speaker: Order. I am going to call for a new question.

Interjections.

Mr. Speaker: Order. New question.

Hon. Mr. Eakins: On a point of privilege, Mr. Speaker: Last week the Leader of the Opposition suggested that there was interference in the selection process from the Premier's office. I want to assure him he was absolutely wrong and that is not true.

Interjections.

Mr. Speaker: Order. Would the minister take his seat?

Interjections.

Mr. Speaker: Order. I hope the members want to continue with the question period.

PUBLIC SERVANTS' RIGHTS

Mr. Philip: I have a question of the Chairman of Management Board arising from the Supreme Court of Canada judgement related to Mr. Neil Fraser. Is the minister aware that the justices unanimously condemned the blanket prohibition that exists in Ontario against public servants speaking openly and publicly on all public issues? Will the minister undertake to amend the Public Service Act which restricts that kind of freedom of speech in Ontario?

10:50 a.m.

Hon. Ms. Caplan: The Attorney General (Mr. Scott) and I have discussed this matter and we are asking the Ontario Law Reform Commission to look into the rights of civil servants in the province under the act as it now stands. We expect to report some time in 1986; we hope within six months.

Mr. Philip: Other provinces have not had to ask a law reform commission; they have made the necessary changes, which the minister can simply look at.

In their decision, the justices claimed it was not sensible that a provincial employee could be fired for standing in a demonstration against the closing of his or her day care in his or her community. Does the minister agree that is unjust? Will she make the necessary changes now, or do we have to go through the costly

process of court cases that will eventually force her to make the necessary changes?

Hon. Ms. Caplan: It is essential in a matter like this that all employees in the service of the government be treated fairly, equitably and the same. In the past there have been criticisms because it was not always seen to treat everyone the same.

This entire issue has been discussed at great length. We believe we should consult and look at the options available in the future. This is not an easy matter. I think we all believe in a nonpartisan civil service; how we achieve that goal while at the same time protecting the rights and freedom of speech is very important.

DEVELOPMENTALLY HANDICAPPED

Mr. Cousens: I have a question for the Minister of Community and Social Services with regard to a 72-year-old mentally handicapped woman named Mary.

Mary has never been to school and she has never been out of the house alone. She cannot look after herself and she has no family to look after her. She cannot get into an old age home or a nursing home because they do not handle people like her. Mary is now in a boarding home with no one to look after her and there is no place for her to live.

The minister got a letter on this case. Is it the policy of the Liberal government to leave mentally retarded senior adults homeless and uncared for?

Hon. Mr. Sweeney: It is most certainly not the policy of this government to leave mentally retarded seniors at home and uncared for. A joint program is in place, not only to move developmentally handicapped individuals out of institutions and back into the community but also to provide residential places and day programming of various sorts for developmentally handicapped people who already live in the community, such as has been described. The total amount of money put into the community in the past couple of years to provide programs like this is approximately \$33 million.

I do not recognize the specific reference the honourable member has made. If he says there is a letter in my office, I will review it and deal with it on an individual basis.

Mr. Cousens: Mary does not have a home and she needs help. The minister now is going to do something for her; it would be nice if he could do it before Christmas so Mary has a place to live and gets proper stimulation and proper care.

Does the minister promise to do something for Mary before Christmas?

Hon. Mr. Sweeney: I certainly give a commitment to review Mary's case. If the kinds of changes that are desirable can be made as quickly as possible, then they will be done. However, I cannot make the kind of commitment the member is asking for because I do not know what the individual circumstances are.

SHORELINE PROPERTY ASSISTANCE PROGRAM

Mr. Hayes: My question is to the Minister of Natural Resources. Because municipalities have had a hard time receiving specific information from the Ministry of Natural Resources about the emergency shoreline protection plan and the shoreline property assistance plan, and since the work cannot be done in some areas because the ground will be frozen and covered with snow, will the minister assure us that these programs will continue beyond March 1986? Also, will he tell us whether the federal government has extended its assistance for these programs?

Hon. Mr. Kerrio: I am sure the gentleman who is asking the question is much more aware than he appears to be, because we invited him to share with us the investigation along the shores and also to share the fact that the reeve, the mayor and all the people in those municipalities that have been devastated are going to come into Toronto, as nearly as I can figure out, next week to put forward the kind of requests they are going to make.

We are not initiating. We are very accepting of those people putting forward the kind of submissions that we would then be able to address in relation to the damage that has been done. The member is invited, as are those members who represent areas that have had this kind of damage. Next week we are going to start meetings with all the interested parties.

As far as the federal government is concerned, we have sent a letter requesting it to make certain that it gives us the criteria for where it could be helpful. As yet we have not heard from them. I am more interested in hearing from those people who have been affected and in sharing that with the member when it happens.

Mr. Wildman: I appreciate the minister's response, but he has not said directly whether the programs in question will be extended beyond March 1986.

As well, can he give us assurance that not only people who have experienced serious damage in southwestern Ontario but also people throughout

the Great Lakes area will be able to benefit from these programs? Can he indicate when a decision will be made on how these programs will be made available to the people living in the unorganized communities in northern Ontario?

Hon. Mr. Kerrio: The same question would apply here. We are recipients of requests. Two other ministers are involved, including the Minister of Municipal Affairs (Mr. Grandmaitre), more properly in relation to some of the loans that are available. This government is going to address itself to the needs out there and, more properly, to the people who have permanent homes along those shorelines that were harmed. We will look at the others and at how we can be helpful.

However, the plans and the funding would then take cabinet determination. The member can certainly rest assured that as soon as we have the necessary information, this minister will do all he can to help those people who have been affected.

Mr. Harris: The minister still has not answered the question. I want to follow up on the basic question that was asked. The people cannot get the information; they have been calling his ministry and they cannot get it. The people up along the north shore from Sault Ste. Marie and west cannot get any information. They are calling members as far away as North Bay; they are calling members all over the province asking, "Why can we not get information from the Minister of Natural Resources?"

He is the holdup. He is the reason they cannot find out what is going on. Will he guarantee that this money will be made available next spring when we get into 1986?

Hon. Mr. Kerrio: The member must understand more than anyone else over there that the applications for this kind of help are required to come in; they are to be initiated by the people who request the help. We are going to respond and help wherever the help is needed.

The member knows full well there is money left in some of those plans that has not been requested. We certainly respond immediately when we hear. When the requests come, if more money is needed, we will go to cabinet to make sure this decision is put there and the answers will be forthcoming.

Mr. Martel: What is the minister doing for the unorganized townships?

Hon. Mr. Kerrio: The money is still there, and the member knows it.

11 a.m.

SPADINA EXPRESSWAY

Mr. Gregory: I have a question of the Minister of Transportation and Communications. In view of Chairman Flynn's recent comments in support of developing a plan of action for a northwest corridor in the city of Toronto that could possibly revive the controversial Spadina Expressway, will the minister assure this House that he will oppose any move to reopen any discussions surrounding the Spadina Expressway?

Hon. Mr. Fulton: I am aware of the newspaper article covering the chairman's inaugural address to Metro on Tuesday in which there were some indications in this direction. I assure the member opposite that I do not concur with many of the statements made by Chairman Flynn in his statement.

Mr. Gregory: It is nice to know the minister does not concur, but does he totally disagree with the implications of that question? There is quite a difference. Will the minister convey his strong feelings of nonconcurrence to the chairman to ensure the decision of a previous government will not be overturned by this new government?

Hon. Mr. Fulton: Being an open government, we welcome advice and input from the members opposite. Respecting the position of the Metro chairman, we are very interested in his opinions and what he has to say, but we are not going to build the Spadina Expressway.

Mr. McClellan: Have there been any discussions between any officials at Metro and officials in the ministry with respect to an arterial road for northwest Metro?

Hon. Mr. Fulton: None that I am aware of.

HALLEY'S COMET

Mr. Allen: Mr. Speaker, you observed earlier that today was Friday the 13th. I have a question for the Premier that may be somewhat appropriate to the day.

By March, when Halley's comet will again be most observable in Ontario, it will have been the most observed, photographed, analysed, studied and reported astronomical event, not just in this century but in all human history as well. Past heads of state have often looked to stars and comets for their guidance. The Premier may well wish to observe this passage to see whether it holds any omen for his destiny or that of his government.

Mr. Speaker: Order. Would you place your question? I am wondering whether it is of urgent public importance.

Mr. Allen: I am putting my question.

The Premier may wish to observe it for those omens, but is he aware that for most of the citizens of this province who live in major urban centres, this event will be totally unobservable because of the total urban glow that obscures the heavens? What is the government doing to cope with this problem and make it possible for urban residents to view this spectacular event?

Hon. Mr. Peterson: That is the most insightful question we have had since we assumed the government six months ago. I thank the honourable member for his question. We on this side have been blamed for almost everything in the world, but this is the first time I have been blamed for urban glow.

In fairness and candour to the member, this is not an issue to which I have applied my mind or to which cabinet has applied its mind, but given the member's suggestion, we will. We could request that everyone turn out the lights or we could ask Ontario Hydro to pull the switch for a moment or two. I have no idea, but the government will give this urgent, high-priority question its full attention and there will be a solution to it as there is to all others.

Mr. Speaker: That is not of urgent public importance.

Mr. Allen: On a point of privilege—

Mr. Speaker: Order. New question, the member for Sarnia (Mr. Brandt).

Mr. Allen: On a point of personal privilege, Mr. Speaker.

Mr. Speaker: Order. I will listen, but very briefly. I cannot see what the point is.

Mr. Allen: I have come before this Legislature with reference to a major historical event in which most Ontarians, living in the major cities of Ontario, will not be able to participate. There is something that can be done about it.

Mr. Speaker: Order. The member is trying to debate my ruling, which is not debatable in question period; therefore, a new question, the member for Sarnia.

PLANT SHUTDOWNS

Mr. Brandt: Thank you very much, Mr. Speaker. I appreciate the amount of time you have left me to raise this question. I want to address a question to the Premier with respect to a very serious problem.

Mr. Speaker: A very quick question, because I realize I took time.

Mr. Brandt: I am sorry I wasted 12 seconds on the preamble. I will move as quickly as I can.

There is a very serious problem in the riding of Lambton, immediately adjacent to and south of Sarnia. The imminent closure of the Ethyl Canada plant is in all probability going to take place as a result of the reduction in the use of tetraethyl lead. As the Premier may be aware, there were some nine plants worldwide that produced this product and, as a result of environmental concerns, those plants are virtually all shutting down. There are two plants left, Ethyl Canada being one of them.

Will the Premier speak with his cabinet colleagues, particularly the Minister of Labour (Mr. Wrye) and perhaps the Minister of Industry, Trade and Technology (Mr. O'Neil), with respect to job readjustment and retraining programs or some assistance for those 200 workers? I say against the backdrop—

Mr. Speaker: Order.

Hon. Mr. Peterson: We will absolutely. I will speak to the ministers and members involved. I would like to have the help of the member for Sarnia as well. Perhaps we can all work together to devise some readjustment.

TIME AMENDMENT ACT

Mr. Barlow: Mr. Speaker, on a point of order: I rise to correct a mistake I made yesterday in my speech on Bill 58. The error was that I stated, and I will read it from Instant Hansard, that I believed "Saskatchewan is about the only province that does not participate in daylight saving time." I was incorrect. Saskatchewan maintains year-round daylight saving time.

SUNDAY TRADING

Hon. Mr. Scott: Mr. Speaker, on a point of order: On December 10, the member for Welland-Thorold (Mr. Swart) asked me a question that is contained on page 2299 of Hansard. I answered the question "Yes." On reading Hansard, it is apparent he asked me two questions and the answers should be "Yes" and "No."

Mr. Speaker: Those two points of order should really be points of personal explanation.

VISITOR

Hon. Mr. Bradley: Mr. Speaker, on a point of order: Briefly, I would like to call the attention of the members of the House to the presence in the members' gallery of His Worship Mayor

Ross Hall of Grimsby, the former member for Lincoln.

MOTIONS

HOUSE SITTING

Hon. Ms. Caplan moved that, notwithstanding any previous order of the House, the House will sit in the chamber on Wednesday, December 18, 1985, at 2 p.m.

Motion agreed to.

COMMITTEE BUSINESS

Hon. Ms. Caplan moved that the standing committee on members' services be authorized to review and report to the House on the provision of simultaneous translation services in the House and its committees.

Motion agreed to.

11:10 a.m.

COMMITTEE SITTING

Hon. Ms. Caplan moved that the standing committee on administration of justice be authorized to meet following routine proceedings on Wednesday, December 18, 1985.

Motion agreed to.

INTRODUCTION OF BILLS

CHILDREN'S ONCOLOGY CARE OF ONTARIO INC. ACT

Ms. Fish moved, seconded by Mr. Andrews, first reading of Bill Pr17, An Act respecting the Children's Oncology Care of Ontario Inc.

Motion agreed to.

PUBLIC SERVICE SUPERANNUATION AMENDMENT ACT

Hon. Ms. Caplan moved, seconded by Hon. Mr. Conway, first reading of Bill 76, An Act to amend the Public Service Superannuation Act.

Motion agreed to.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

Hon. Ms. Caplan: I wish to table the answers to questions 85 to 91 and question 99 in Orders and Notices [see appendix, page 2445].

ORDERS OF THE DAY

ELECTORAL DISTRICTS REDISTRIBUTION

(continued)

Resuming the adjourned debate on the motion for consideration of objections to the report upon

the redistribution of Ontario into electoral districts.

Mr. McLean: I would like to make some comments with regard to the redistribution proposals of the Ontario Electoral Boundaries Commission.

First, I want to congratulate the commission on the hard work it has done. However, I do believe that when it was initiated, the legislation that allowed this to take place was wrong because it tied the hands of the commission and did not really let it do the redistribution freely and openly. I believe two wrongs do not make a right when we are dealing with population and area.

There is a population of probably 100,000 in some Metropolitan Toronto ridings, whereas rural ridings would probably be 50,000. The rural ridings would be as hard, if not harder, to serve than the ones with a population of 100,000. What we have really done is tied the hands of the commission to a population figure, or within 25 per cent, which did not allow for boundaries in areas.

Since 1976, each member has had a constituency office, and just this year there has been approval for extra staff. I do not think we really need to increase the number of ridings in the province at all. With today's modes of transportation, with the population in Metro and urban areas and with the extra staff we have, I can see there is really no need to increase the number of seats in the Legislature.

Being from the riding of Simcoe East, I would like to speak briefly on the redistribution and the changes being made. First, for approximately 105 years Simcoe East has been together with both Midland and Orillia in the same riding. Members must think back 105 years to the transportation of those days and what it is today. I believe it would still be wise to leave it intact, because in population and area it is in the norm with 70,000 people.

If the commission wants to make five new ridings in the province, York North could include West Gwillimbury and Bradford. That would reduce the population of Simcoe Centre. There is going to be a new riding made in the York areas because of the larger population there. Brampton could have a new riding developed; a new riding could be located in Mississauga; Carleton and Ottawa area could have a new riding, and a new riding could be created in the London area. These would be the five additional seats required.

The rest of the province could then be left pretty well as it is now. However, if is not to be the case and one wants to make changes in all

ridings, my first suggestion would be to include Tiny township and Penetanguishene in the new Muskoka-Georgian Bay riding, which would square off that area. In Simcoe North, one could include in the proposal the townships of Vespra, Carling and Dalton. That would square off that riding as well and also put Matchedash back into Simcoe North.

By putting West Gwillimbury and Bradford in York North, the population of Simcoe Centre would be reduced. However, if that will not be the case, the reduction could take place north of Barrie, where Vespra, Flos and Elmvale could go to Simcoe North. Tiny and Penetanguishene would be included in the new Georgian Bay riding.

Another suggestion would be to make a new riding in the county of Simcoe, where there would then be four ridings. To do that, one would have to increase the seats probably to 133 or 135 across the province. The riding of Simcoe East would then be changed by removing the town of Midland and putting in the town of Penetanguishene, with the towns of Wasaga Beach and Collingwood, including the township of Nottawasaga, the town of Stayner, the village of Creemore, and Sunnidale and Flos townships. That would make a new riding around the horseshoe, in the Midland, Penetang and Collingwood area.

One would then have a riding south of that which would include the townships of Tosorontio and Essa, the village of Cookstown, the town of Alliston, the villages of Beaton and Tottenham, the townships of Tecumseth, Adjala and West Gwillimbury, and the town of Bradford. That would leave the Simcoe Centre riding with the city of Barrie and the townships of Innisfil and Vespra.

I do not foresee that the proposed boundaries of Simcoe North would serve a useful purpose because the Simcoe North member would have to travel through the riding of Muskoka to get to Penetanguishene and the township of Tiny. It makes sense to me to have Penetanguishene, Midland and Tiny within one riding. I can accept that. If there is a new riding established in Dufferin, there could be a deletion from the area of Mulmur, Mono and Orangeville and the inclusion of the township of West Gwillimbury and the town of Bradford in the Simcoe West riding. Then the Simcoe Centre riding would remain otherwise the same. Simcoe East would remain the same as it is now.

11:20 a.m.

Simcoe West, as proposed, could add West Gwillimbury and Bradford, thereby making Simcoe Centre smaller, while Simcoe North would remain the same, as Simcoe East has been for more than 100 years. I have maps of the different areas and the drafts I have drawn up and sent to the Ontario Electoral Boundaries Commission.

I must point out that the township of West Gwillimbury and the town of Bradford use the hospital and shopping facilities in Newmarket. They are more in line to use the facilities to the south than they are to the north. Therefore, it would be compatible to be part of the York North riding or to be included in the Simcoe West riding.

I have put Matchedash township back into Simcoe North because one has to go through Coldwater to get out of Matchedash and it is more compatible for it to be in Simcoe North than in any other riding.

That is a draft proposal and some maps I had redone. I sent a copy of them to the office of the chief election officer. I received a letter back from him and he agrees with the first point I raised in my speech. I will read the letter into the record.

"Thank you for sending me an advance copy of the points, complete with maps, that you intend to raise during the debate on redistribution.

"The first point you raise is certainly one that I agree with. In fact, I discussed this very concept with Tom Wells back in 1983. I was advised that after consultation, all-party agreement was not forthcoming on this approach. On reflection, I think it might be that if the opportunity to take that option was possible now, we might have quick agreement of all parties. However, the die is cast and the agreement was to have a full-scale redistribution and we must try, with the assistance such as you have given, to come up with the best possible arrangement in the circumstances."

He agrees with five ridings, but since we tied his hands with a population and areas basis, it was impossible to do that. I know there is great concern on the part of many members on that side. If they wanted to increase it, I would like to have seen five ridings added in the urban areas and the rest of the province left alone.

The only way it could be speeded up or changed now would be if there were an amendment to the legislation whereby five new ridings would be created in the urban areas and the rest of the province left as it is, with maybe some minor changes to have the areas kept, but

not as large as I see happening up the Parry Sound area.

Those are some of the comments I wanted to put on the record as to how this affects the riding of Simcoe East and the Simcoe county ridings, part of Victoria and part of Dufferin. It is important that when this redistribution takes place, it should be done correctly and all ridings in the province should be treated fairly and equitably.

Mr. McClellan: I will not be speaking for more than a few minutes on this subject. I believe I am the last member of the New Democratic Party caucus to take part in the redistribution debate. I want to put a few remarks on the record. It may be appropriate inasmuch as my riding of Bellwoods is one of the ridings that is being eliminated under the proposed redistribution.

Mr. Harris: That is worth two or three minutes.

Mr. McClellan: It is perhaps worth two or three minutes.

It may surprise the members to hear that I am not objecting to the proposals of the Ontario Electoral Boundaries Commission. I am simply rising to make what I feel is an important and urgent suggestion, that more thought be given to the naming of the new ridings being created in the west end of the city of Toronto.

I am not sure whether most members realize Bellwoods is not the only riding being eliminated west of Yonge Street. The old riding of St. Andrew-St. Patrick will no longer exist; the old riding of St. George will no longer exist; the riding of Bellwoods is, as I said, being eliminated; the old riding of Dovercourt will no longer exist; the old riding of Parkdale will no longer exist.

Hon. Mr. Ruprecht: What is the member talking about? The riding of Parkdale—

Mr. McClellan: The present riding of Parkdale extends from the waterfront to the northern limits of the city of Toronto, and the new riding of Parkdale is located exclusively south of Bloor Street. The name Parkdale will continue, but the riding is as fundamentally altered as the ridings of Bellwoods or Dovercourt. I know the member for Parkdale understands what I am saying.

Mr. Harris: But will the member continue?

Mr. McClellan: I am sure all the present New Democratic Party members will continue in one incarnation or another. I cannot speak for any other parties, of course.

There is going to be a great deal of confusion unless some additional thought is given to the

names of the new ridings. Bellwoods will be cut in half at Bloor Street. The southern half of the riding will be put into a brand-new riding called Fort York. It is good that a brand-new name has been chosen for the new riding south of Bloor Street.

It would be unfortunate if the old title of Bellwoods were kept for the southern riding, because it is going to be confusing for people if their ridings are changed as drastically as the commission has proposed while the old names are retained. People are going to be confused about which riding they live in and who their MPP is; there is going to be a considerable amount of confusion and dislocation.

The northern half of Bellwoods, together with the northern half of Dovercourt and the northern third of Parkdale, has been amalgamated into the riding north of Bloor Street being called Dovercourt; however, it is not Dovercourt; it is partly Bellwoods, partly Dovercourt and partly Parkdale. I suggest to the commission it would make a lot more sense to do north of Bloor Street what it has done south of Bloor Street and come up with a brand-new name for the brand-new riding.

Since it is the old Hillcrest district of Toronto, that would be a possible name. Many landmarks in my riding and in Dovercourt, and I believe in Parkdale, still use the designation "Hillcrest" for the neighbourhoods north and south of the old escarpment. The name has a long history of usage in our city. The neighbourhoods between Bathurst and Lansdowne north and south of the old escarpment were called the Hillcrest area. There are many stores and shops using the name, and I believe there is a health clinic in Parkdale called the City of Toronto Hillcrest Health Clinic.

I am not being arbitrary, but it is important when the commission creates new ridings that it takes into consideration the reality that in a sense many tens of thousands of people are being arbitrarily relocated into different constituencies. This reality should be kept in mind with names that reflect the reality of major, substantial and significant change.

It is ironic that most of Dovercourt Road is not in the new Dovercourt riding. Only a tiny fraction of Dovercourt Road is in the new riding. If one wanted to name the riding after a street, Bloor Street or St. Clair West would make a lot more sense.

11:30 a.m.

I am not here to try to baptize the new riding and give it a name, but I do make the one suggestion of Hillcrest. However, I make a very

strong and insistent recommendation to the commission that if it intends to proceed with this kind of fundamental realignment of the constituencies in the city of Toronto, it has an obligation to be clear and unambiguous to all the people in the city with respect to the names of the new ridings so nobody has any confusion when the redistribution takes place about the nature of the changes and the fact that a fundamental realignment has taken place.

Having said all that, despite the drastic impact of the redistribution commission on my own constituency I think the commission has done a good job of designing ridings on the basis of representation by population. It has been consistent in applying that principle throughout the province. While there are obviously areas where local considerations may not have been adequately taken into account, on balance the redistribution appears to have been fair and to have been done according to the principle of representation by population. We support it for that reason.

I will conclude with that. I hope the commission will pay attention to the recommendations I am making, because I feel I am putting forward valid and important recommendations today.

Hon. Mr. Conway: I am sorry to see my friend the member for Bellwoods depart, because I wanted to tell him how much I enjoyed his contribution to the debate. I want to be brief, as is my wont these days.

Mr. Pollock: Do not overdo it.

Hon. Mr. Conway: My friend from Stirling says not to overdo it, and he is probably right. I want to be on my way by those wonderful Hastings reaches not very many moments from now, so I will take the advice seriously.

I want to speak to the particulars of the report of the Ontario Electoral Boundaries Commission and to be a bit personal and local in my perspective. I will begin by saying that I have some real appreciation of the difficulty of any electoral redistribution. It is never easy. As an issue, it has been coloured with a very interesting past. I am sure even in the great, historic riding of Oxford, Mr. Speaker, you could tell us tales of the redistribution of 1882 or whenever it was that the Grits were all hived across southern Ontario. At any rate, that is not what I am here to talk about.

It is always a difficult question, this matter of electoral redistribution, and it is particularly difficult as it affects the members in question. Members tend to be rather possessive about these matters, talking inadvertently about "their"

ridings and their personal situations. We are, I think it is fair to say, in an apparent if not a real conflict of interest in some of this debate. I say that quite charitably. It is certainly the way I feel as someone who would like to stand for another election provincially. I look at my friend the member for Don Mills (Mr. Timbrell), who is looking on from the precincts, and I think of other elections in other places.

The difficulty has been addressed by a number of other members, and I simply want to commend the commission. Mr. Justice Hughes, Professor Thompson and our chief electoral officer, Warren Bailie, have done quite a good job under difficult circumstances.

The member for York West (Mr. Leluk) is looking very seriously at me; I worry about that. I do not know what the impact of this is in west Toronto, but perhaps my friend the member for Oakwood (Mr. Grande) can tell me later.

On balance, the commission has done an always difficult job reasonably well. It has been given the direction of the Legislature and of the previous government in this regard. In general, I commend the commission for its work. It is an enterprise that is not going to please everyone, and it certainly has not in this case.

I want to be particular now in my comments about what has happened in the great eastern part of the province from which I come, and more especially in Renfrew county.

Almost a year ago, the commission released its first report. At that time, there was significant impact on all electoral districts in eastern Ontario, including the urban community of Ottawa-Carleton.

What concerns me is the very significant impact of these proposals on my county and the two provincial ridings contained therein. For about 120 years, the county of Renfrew has been divided into north and south ridings, and our representation in the Legislative Assembly of Ontario has been maintained since Confederation with two members.

Mr. Mancini: It should stay that way.

Hon. Mr. Conway: My friend the member for Essex South points out that it should stay that way. I am concerned that what we have had for 118 years, to be specific, namely the two provincial ridings, will be substantially changed by this proposal, which contemplates essentially one electoral district for the county of Renfrew.

I speak on behalf of the 87,000 people who are resident in the county of Renfrew, and I know I speak for my colleague the member for Renfrew South (Mr. Yakabuski) when I say this concerns

us a great deal. I know others have concerns. Earlier this morning the member for Simcoe East (Mr. McLean) addressed some of the issues that are of real concern to rural, small-town Ontario, whether that happens to be on the Highway 11 corridor, out in my part of the province or in the area of southwestern Ontario.

There is no doubt that in communities such as the Ottawa Valley it is perceived that this revised proposal for electoral redistribution is going to have a negative effect on the access that people in the Ottawa Valley area feel they will have to their member and to their provincial government.

I am not going to thresh old straw because others have made the point very well about the importance of maintaining in the assembly a strong presence from rural, small-town Ontario. I look across at my friend the member for Algoma-Manitoulin (Mr. Lane), and I know he will agree with me in this regard.

I hope that with the encouragement of this Legislature and the government, the commissioners will take very seriously what the members of the assembly have had to say about the impact of this revised proposal on communities such as the Ottawa Valley.

I hope they will look very carefully, again with the encouragement of the government and the Legislature, at increasing the number of electoral districts. The previous government indicated in its terms of reference that it would contemplate no more than 130 seats for the province as a whole. That represents a net increase of five. I would hope we could adjust that ceiling in the light of the views the assembly has heard from the members and their communities on this revised report.

11:40 a.m.

As I said earlier, it is difficult. I hear my friend the member for Scarborough North (Mr. Curling) talking about now having almost 200,000 people in that constituency, or the member for Brampton (Mr. Callahan) indicating there is now in excess of 150,000, perhaps 200,000, in his riding. As the member for Renfrew North with a population of no more than 45,000, or my colleague the member for Lanark (Mr. Wiseman) with 42,000, or my colleague the member for Renfrew South with 52,000, I understand there is an imbalance there that has to be addressed, but it cannot be addressed in a way that continues to take away from the representation in the rural communities.

It saddens me very much that a county which has had two representatives in this assembly for

more than 115 years will now have but one if this proposal is to be accepted.

I do not have to tell you, Mr. Speaker, because you are keenly aware of the pressures that are placed upon a member from a county such as Oxford, which is not too dissimilar from my own, that one is often the only show in town. There is not a great panoply of government offices such as we might find in York Mills, for example. I do not know that we would, but—

Miss Stephenson: I am sorry, but the member missed on that one. We do not have any.

Hon. Mr. Conway: I suspected I did. My feeling sometimes is that one should always invite the member for York Mills (Miss Stephenson) to intervene.

It is quite true that in many of these rural constituencies there is simply not the availability of government service that is routinely taken for granted in the large urban communities.

For example, what is being proposed in this recommendation for my county? I do not want to go on at too great a length, but the proposed riding that my colleague the member for Renfrew South and I would have to consider standing for—and we would have to have a family conclave to decide about this—is the electoral district of Renfrew-Nipissing-Parry Sound.

It reminds me of the turn of the century stamp that was issued to commemorate the diamond jubilee of Queen Victoria, showing in red the map of the world as it was then configured. All the parts of the British Empire were in red. The title of that imperial stamp was *A Greater Empire Than Has Been*. I think of that stamp when I think of what is being proposed in this recommendation.

The riding of Renfrew-Nipissing-Parry Sound is contemplated as beginning just west of the village of Petawawa and arcing some 230 miles across the neck of Ontario, ending at the town of Parry Sound on Georgian Bay.

Miss Stephenson: Just a little larger than Parry Sound.

Hon. Mr. Conway: It is not that it is just a little bit larger than Parry Sound at the present time, it is just not a very likely constituency. Notwithstanding all its good work, the electoral boundaries commission understands that in this proposal it has one of the more anomalous results of the redrawing of the electoral map. My sense is that the commission would be quite prepared to entertain submissions on correcting this difficulty.

I misspoke earlier when I said that would be the riding in which my colleague the member for

Renfrew South and I would consider running. Obviously, it would not be. It would be the electoral district of my friend the member for Parry Sound (Mr. Eves), with whom I have already had discussions. He agrees it is an unrealistic proposal. There is virtually no community of interest between the village of Chalk River in Renfrew county and the town of Parry Sound in the district of Parry Sound. It would be a shorter distance for the member for Parry Sound, if he lived in Parry Sound, to drive to the provincial capital than to that part of his electoral district. All this is in "southern" Ontario.

I think that proposal is quite unacceptable, not only to the good people of Parry Sound but also to the people in that part of the northeastern section of the county of Renfrew.

I reiterate that my sense is that the commission understands this is probably not going to fly. In fairness to the commission, looking at these matters antiseptically, one can construct an argument about how it might be so. I think I know how the commission came to this resolution after listening to the representations it heard in communities such as Ottawa and North Bay, but it does not work on the ground.

I expect there will be change. Quite frankly, my hope is that somehow we will be able to sustain the two ridings for the county of Renfrew. I want to make it official. That is the preferred outcome and I hope it can be done in the interests of maintaining the strength of rural representation from our part of the province in the assembly.

Failing that, it is my view that the communities of Chalk River, Deep River, Rolphton, Stonecliffe and Deux-Rivieres ought not to be attached to the area of Parry Sound. With all due respect to the assembly and to the commission, that is simply not acceptable. The community of interest for that area of what is now my constituency must be maintained with the county of Renfrew. Everyone accepts that. I say in the strongest possible terms on behalf of the 8,000 or 9,000 people who live in that northeastern arm of the county of Renfrew that they must be sustained and maintained with their Renfrew county community of interest.

No artificial boundary is going to change the political, social and economic patterns of the area. If one lives in Deep River or Point Alexander or Stonecliffe, one's county town is Pembroke and one's orientation for most things is down the Ottawa River valley. That is the way I believe political orientation, as far as the

electoral district is concerned, should be decided.

The idea that there should be one electoral district instead of two for the county has been suggested by some. Even the proposed constituency of Renfrew outlined in this proposal is quite large. It would be one of the largest rural constituencies in terms of population and geography that one would find anywhere in southern Ontario—all great people and wonderful territory.

That is the riding of the electoral district of Renfrew as set out in the revised submission from the Ontario Electoral Boundaries Commission. My colleague the member for Renfrew South and I would have to sit down and look over who would do what. In my view we should, to the very best of our ability, ask the commission to take a serious look at what is happening as a result of these proposals.

I knew they would be here somewhere. I should have looked this up before I got this far. I am glad to see at least one of the commissioners is here with, I presume, one of his staff. I want to say in their presence that I appreciate all the work they have done. I was at the Ottawa hearings last May and I thought they were indulgent to a fault with the representations that were made. There is nothing quite like a group of politicians out and about talking on the subject of their ridings. We had quite a lively debate that day in Ottawa.

11:50 a.m.

In the revised submission, the commission made a very conscientious effort to accommodate many of the representations that were made. When I looked at the Parry Sound-Nipissing-Renfrew proposal, I thought, "I know the good arguments that were put and that were responded to that led to the construction of this proposed riding." I simply say to the chief returning officer of the province, one of the said commissioners, that it might work on paper but it does not work in reality, and I sincerely hope the commission will be able to take that into account.

I was at the Deep River municipal dinner the other night and the mayor and all the good people from that community and the surrounding countryside were quite concerned about being deposited in the easterly corner of a constituency that had its largest urban population more than 200 miles to the northwest. I have every confidence that the commission will make that accommodation.

Make no mistake about it. I think the assembly and the government should, to the best of their ability and within the dictates of proper parliamentary and political decorum, strongly encour-

age the commission to take into account the importance of proper representation in the rural, small-town communities that are feeling more and more that they are getting less and less. Of course, if one applies rigorously the old Grit principle of representation by population, one can come to—

Miss Stephenson: Did the minister say "grid" or "Grit"?

Hon. Mr. Conway: Grit. If one applies the old Grit principle of rep by pop, one can make the case that there should be a withdrawal of representation from the rural communities to the ever-growing urban parts of the province.

However, there are other factors than just population. There is community of interest, there is history, there is economic association and there are various other factors that do play an important role. I know they have been considered.

As one of the members from the historic county of Renfrew, I simply conclude by saying I feel very strongly that what is being proposed here in the second recommendation from the commission is not acceptable. We would very much like to see the two ridings maintained; that is everyone's first preference. If that cannot be done—and I hope it can—then we must not isolate communities like Chalk River, Deep River and Stonecliffe in an area where they have very little, if any, common interest.

Mr. Speaker, I conclude my remarks again by thanking you for the opportunity to participate and by congratulating the commission for the good work it has done and for the important work that is yet to be accomplished.

Miss Stephenson: I am pleased to have the opportunity to participate, albeit relatively briefly, in this debate today. The work of the commission, as my honourable friend has just said, is indeed extremely important and I do not envy the commissioners their task. To support to the letter the principles that we who believe in democracy feel are important is an unenviable job for commissioners who are attempting to allocate electoral boundaries.

There is real concern, however, on the part of a significant number of constituents in the riding of York Mills that the proposals that have been made by the commission are inappropriate in respect of a number of the criteria that probably should be taken into account in addition to representation by population.

There is no doubt about the fact that the riding of York Mills needs to be smaller than it is at the present time. It is too large, although it is not as

large as Scarborough North. It has about half the population of Scarborough North, and that is significantly larger than the vast majority of ridings in Ontario. We should be delighted to have a new riding in North York to occupy the talents of a new member of this Legislature.

One of the problems those excellent gentlemen who are members of the commission have had placed upon them is the restriction in numbers that has been suggested very strongly as a part of their terms of reference. If a little more flexibility were permitted them in that area, they would not have had to produce some of the suggestions that have been taken as an affront by some constituents and by some members of this Legislature. This is unfortunate because it was not a problem of their own making, but rather a problem of the making of those who were guiding the direction of the commission in its very early stages. We should be permitting them that greater flexibility in their decision-making following this debate on electoral boundaries.

I suggest very strongly to the commissioners that the submission which was made on behalf of York Mills in May 1984 had a great deal of rationality. It pointed out very clearly the community foundation of the riding of York Mills, which is a north-south alignment, not an alignment across Yonge Street. Yonge Street has always been a division, and although it was breached in 1974, albeit in a very small area, it is not a part of the electoral tradition in North York to have that kind of breach occur. The communities of York Mills, Willowdale, Lansing and Newton Brook are the foundation of the riding of York Mills.

We recognize very clearly that there must be some foreshortening of the length of that somewhat prolonged riding which extends at present from Lawrence Avenue in the south to Steeles Avenue in the north. It is a rather large piece of geography for an urban riding.

We, therefore, made strong suggestions that the Yonge Street boundary be retained and that the northern boundary be moved south to accommodate the numbers factor which must be addressed. We suggested that the northern boundary be moved south to the hydro transmission-line corridor immediately north of Finch Avenue in York Mills, and that this boundary be used to Bayview Avenue. Finch Avenue would then be used from Bayview to Leslie Street, with the boundary extending directly down Leslie Street to Lawrence Avenue, as it is at present.

That community has had a relationship since the very beginning of the riding of York Mills 22 years ago. It is not 118 years ago, as it is for the ridings of Renfrew North and Renfrew South. It is my understanding that the riding of York Mills per se became a riding in 1963.

The communities have been summarily separated by the construction of Highway 401, and in spite of the visible division the highway provides, it has not had an effect upon the emotional relationship which has existed among the various portions of that riding.

The riding of Armourdale on the west of Yonge Street is a very interesting and delightful area to represent, but it does not bear a relationship at all to the area of York Mills which is south of Highway 401, with respect to the activity, the North York wards and the electoral representation, federally or municipally. That is a separate area and should be left in Armourdale's tender care rather than being delivered into the hands of the riding of York Mills.

We are very much concerned that the commission has been given an extremely difficult task made more difficult by the strictures placed on it in terms of total numbers. We recognize in York Mills that the problems related to community of interest in rural ridings, which my honourable colleague elucidated so clearly, also occur and exist in urban ridings. There is a feeling of community in Metropolitan Toronto which municipal governments have tried very diligently to maintain.

12 noon

One of the strengths of Metropolitan Toronto and the city of Toronto is that successive governments have attempted over the years to ensure that the communities within those larger geographic areas are sustained, supported and encouraged. That is precisely what has happened in North York. With that, I suggest strongly that this community of interest needs to be recognized very clearly in the action which is taken by the electoral boundaries commission in determining boundaries.

It is important that the commission be aware of the concerns of the constituents who live in those ridings. Those who live in the south end and in the middle portion of York Mills riding feel very strongly that their community is being divided surgically by this procedure and they do not appreciate that kind of activity. They may have a physician representing them, but they certainly do not want me to do any kind of radical surgery on the riding.

It is incumbent on me to suggest very strongly that the north portion of the riding, which encompasses a significant part of the riding of York Mills and part of Armourdale, could become a greater part of the riding of Armourdale.

I would like to suggest very clearly as well that we believe the riding of York Mills should remain intact with respect to its western boundary, which would be Yonge Street; its eastern boundary, which would be Leslie Street all the way; its northern boundary, which would be Finch Avenue and the Hydro right of way from Yonge Street to Bayview Avenue, and its southern boundary should remain as it is at Lawrence Avenue to the corner of Leslie Street.

I sincerely hope the commissioners will take into consideration the kind of community concern which has been expressed so clearly to me by so many constituents since this information was made public. There is a factor of human relationship which is essential even in urban ridings. That essential nature of the riding of York Mills should be sustained by considering seriously the kinds of suggestions we are making related to the new boundaries.

Mr. Mancini: I am pleased to have at last the opportunity to make some public comments for the record in regard to the redistribution of the Legislative Assembly seats in Ontario.

I see Warren Bailie, the chief commissioner, in the Speaker's gallery—I should say gallery.

An hon. member: He may be in the gallery.

Mr. Mancini: Yes, he may be.

He and I have met often over these past couple of months, and I want to thank him publicly for the courtesies he has extended to me.

I would like to say, however, I had hoped the other two commissioners would have been here today. I understand other obligations and work they are doing at present may prohibit that, but I find this such a serious matter that I would have appreciated it if the whole commission that had done the study on the boundaries could have been here today. The way I understand it, one person cannot make all the decisions; it is going to have to be at least a majority of two. I just wanted to say that, while at the same time acknowledging there probably is a good reason for their not being here.

I have several comments I would like to make. First, I want to talk about the system of redistribution, how it works and how it worked in my instance, because I think members would be interested to know this.

The first map was published after the commissioners themselves took time to review the existing boundaries, demographic changes and whatever else the legislation asked them to review. They produced the map, made it public and then allowed for public discussion.

In my particular instance, the constituency of Essex South was changed in a very minor way. The village of Wheatley, which I have been very privileged to represent over the past 10 years, was removed and placed in a constituency at that time called St. Clair. I received objections from the municipal council of the village of Wheatley and I informed them that, at the time for debate in the Legislature, I would express the complaints of the village.

After the maps were produced and held out for public debate, the commission then very rightly started having its public hearings. They had hearings in Windsor for Windsor, Essex county and area. Several of my colleagues went to those hearings, but I did not attend. In retrospect, that was a very major mistake. I am assuming that the commission came to its decision on information given to it at that time. This information was such that when the second map was produced it had no similarity whatsoever with the first, which I found quite shocking at the time. There was a tremendous disparity between the first and second maps of the area of Essex county. I canvassed around and asked. "Who was giving advice to the commission and why would they be giving this advice?"

I discovered that some people who had appeared before the commission said—and I have to say very frankly that some of these arguments were politically motivated, and I shall address that matter in a moment—that the county no longer should be split north and south with the boundaries running east and west. This may cause some confusion. The boundaries run east and west but that splits the county north and south; so when I refer to the north part of the county, it is actually in regard to the boundaries running east and west.

Some people had wanted the county to be split in exactly the opposite way. I have done a transposition of the voting pattern in Essex county for the last little while and I find that our political party does very well no matter which way the boundaries may lie, whether we keep the traditional pattern of north and south or we go to the new pattern as has been presented by the commission. The transposition of votes indicates very clearly that we should continue to do very well.

I have spoken to many people about the redistribution and I should say many of them have spoken to me. I have not gone out of my way to organize public meetings, although probably that could have been beneficial. However, I have met with several of the municipalities most affected, for example, the town of Leamington, the township of Mersea and the village of Wheatley, and I have had representations from and communications with the township of Pelee.

All four of these municipalities—and I am sorry I do not have their resolutions to read into the record today, but I will be forwarding them to Mr. Bailie along with a copy of Hansard—every single municipality which has been removed from the old Essex South riding and been placed in a new Essex-Kent riding, passed a unanimous resolution indicating that it is not to the benefit of the people they represent. Those municipalities have members of council from all three political parties.

On the one hand, it may appear that some people have political motives. On the other hand, the municipal councils, which are charged with the responsibility of dealing with their local residents, have seen it differently and have so stated.

12:10 p.m.

I heard my friend the member for Renfrew North (Mr. Conway) speak about the historical nature of his constituency. In Essex county we have quite a bit of history and pride in the area also. The Essex South riding, which is going to be dismantled if the second map of the commission is accepted, is nearly 120 years old. For almost 120 years, the core of the riding has been virtually the same, possibly with the elimination of one municipality and the addition of another. I have to say to myself, all of the commissions that have reviewed the county of Essex over these last 120 years must have had some good reasons to keep the constituency the way it is. There must have been some historical, economic and cultural reasons. The most important reason is the community of interest. There must have been some reason for keeping the municipalities in the constituency of Essex South.

That raises in my mind a question I have not been able to answer, a question I have not been able to get answered. Why, all of a sudden, is the community of interest, everything that had been rightfully respected for 120 years, now not as important as it used to be?

Take a look at the map of Essex country. In the Essex South riding one will see that Highway 18,

the Queen's Highway, runs from the town of Amherstburg, which is on the Detroit River on the far west end of the riding, through every single municipality in the riding except the village of Wheatley. There must be a reason for a single highway connecting every single municipality.

The reason is there is a strong community of interest that binds these municipalities together. We set up a road system to make sure the roads go in the direction of the community of interest. We do not build roads that take people where they do not want to go. If one looks at the northern half of the riding, one will find that Highway 2 does exactly the same thing for the northern half of the riding, except possibly for Sandwich West township which is at the far west end of the Essex North riding.

In the county of Essex this past Tuesday night we elected another warden, Carl Davison, the reeve of the township of Colchester North. I extend my congratulations to Mr. Davison. We have a system in the county of Essex of electing the wardens on a north and south basis, a tradition we have clung to for more than 100 years.

There must be a reason for all the municipalities in the county of Essex to say it is right to elect a warden from the north one year and one from the south the next year and continue that tradition. It is not done just for fun. The reason is the community of interest is separate and distinct and the county and municipal councils, all 22 of them, know it is an honour and a privilege to have the warden. In order to ensure that everyone has access to this honour and privilege, they alternate so that every part of the county can feel part of the system and part of making Essex county great.

I have also talked to the former mayor of Kingsville, who is now the reeve, Mr. Pat O'Neil. He stepped down from mayor and was elected as reeve. Kingsville was also prepared to send a unanimous resolution from its town council. I suggested to the mayor at that time that it was not necessary, that it was more important for these other four municipalities, if they wished, to send in their resolutions, and that I would put his remarks on the public record. I want to clarify one thing. When I say, Leamington, I mean Leamington, Mersea, Wheatley, and Pelee Island, so I do not have to continue to repeat all the names.

I say to the commission that we cannot separate the Leamington area and Kingsville, economically, culturally or in the matter of community of interest. It cannot be done. One

can draw the line—they have already drawn the line—but one cannot separate them. They are one and the same. Harrow has grown towards both Kingsville and Amherstburg, and one cannot separate them. Amherstburg has been part of the Essex South riding for the whole of 120 years or something like that. One cannot separate Amherstburg from the riding.

Municipal officials, particularly in the Amherstburg area, ask themselves, "What community of interest do we have not only with the north shore but with Belle River, Maidstone township and Rochester?" They have asked themselves that question. I cannot give them an answer and they cannot come up with an answer. I am assuming their community ties are stronger with Harrow, Colchester South and Colchester North and the other municipalities as we go east towards Kent county.

The people who appeared before the commission to make representations to split the county in exactly opposite directions did not know what they were talking about. The members should not take my word for it. They should wait until the resolutions and letters come from the municipalities.

They should wait until they get the resolution from the associated growers, one of the largest farm organizations if not the largest farm organization in the county of Essex, which I met with a week ago. They said: "Our organization goes as far away as Malden. How can they do this to us? How can they split us in half like this?"

The National Farmers Union, with which I work closely, has a local in the southern part of Essex county. They are now considering forming a local in the northern part of the county. They did not split the county the way the commission suggested. They split the county the way the provincial boundaries are now.

They must have done that for a reason. They must have done it because it makes sense and because people are drawn together under these circumstances. The provincial boundaries would not have prevented them from doing it in any other way, because the community of interest is greater than provincial boundaries. People congregate in a fashion that suits them best.

For the last 120 years, the riding boundaries in the county of Essex have been the same as the community of interest. Now I am told they are going to be different. I am also told there may be some changes. However, I have studied the changes made by previous commissions. Unless this commission breaks completely with the tradition set by previous commissions, which,

after they had drawn their second maps and made them public, did very little other than change a name, a street or whatever, then this map is reality.

We can call for more seats and we can call for greater change. After having looked at the situation and tried to be realistic about it, unless this commission is willing to break significantly with what has been done in the past, what we see is what we get. That is fine. I will decide on a personal basis which constituency to run in. I will make that decision.

12:20 p.m.

Politically, they are equally the same; there are no problems. I say this about the traditional voting pattern and nothing else. All of us hold that to be important; however, the members of the Legislature do not serve for ever. When the boundaries are changed by the commission and when we realize some boundaries have been the same for 120 years, we can understand the impact that will have on our communities long after we are gone. That is why the municipalities in the Leamington area passed the resolutions they did. They know they are not going to be on municipal council for ever, but they know what the boundaries will mean to their term of office and in the future.

Once we change these boundaries, it may be a long time before we correct the problems we create. That is at the heart of my objection to what the commission has done. A decision has been made to change the boundaries; it appears it will stand. The boundaries will stand for at least 10 years, so we will be out of whack for at least 10 years and probably for a lot longer.

We talked about rural representation in this House. We do have special status for the north; I believe we have guaranteed that area 12 or 15 seats. We are at the point now where we will seriously erode the representation of rural Ontario. If not now then at some time in the future, we will have to guarantee rural Ontario a certain amount of representation. We will come to that point. I think we are very close to that point now.

Interjections.

Mr. Mancini: My colleagues the member for Grey (Mr. McKessock) and the member for Haldimand-Norfolk (Mr. G. I. Miller) say we are already at that point.

The commission says it is okay for the riding of Essex to contain 14 good-sized municipalities. As the member for Renfrew North said, in most areas outside the urban centres, the member does a lot of the work that many of the agencies would do in a city. That is fine; that is our job and we

accept it. As a matter of fact, we have just been given more staff, which is great and makes our service to the people better.

Does the commission not believe that the 14 municipalities it has placed in the district of Essex should have equal representation and equal benefits with the people in Windsor? Does the commission not realize that the people in Maidstone or Malden—that is, from one end of the proposed riding to the other—have to deal with many agencies in Windsor and that most times they have to go through their member? Does the commission not realize that a rural member meets with a municipal council at least once a month, formally or informally, or with a committee of two or three representatives from the council?

In the city of Toronto, it is possible for a member of the Legislature to serve a whole four-year term without having a meeting with the mayor of the city. That is absolutely impossible in a rural riding.

Mr. Jackson: The mayor of Toronto is a Liberal.

Mr. Mancini: Let us use Mr. Godfrey as an example then. When Mr. Godfrey was chairman of Metropolitan Toronto, it was very possible that members of this Legislature could serve a four-year term without having a meeting with Mr. Godfrey. That is impossible in a rural municipality.

My friends the member for Haldimand-Norfolk and the member for Grey can tell members of the work they do on behalf of their municipalities. When one of the municipalities I represent has a problem with a ministry, it does not—

Mr. Davis: Is the member filibustering?

Mr. Mancini: This is not a filibuster. What the members opposite did on the revenue bills was a filibuster.

The commission wishes to change dramatically the representation of almost 120,000 people in the county of Essex, and as long as I am the member for one of those ridings I am going to make sure they get a fair kick at the can.

This is the only chance I get, and I am taking advantage of it. I want to make sure I have done as good a job as possible on behalf of the people in small communities such as St. Joachim, McGregor, Woodslee and all those other small communities who do not have the clout of a chairman like Dennis Flynn or a former chairman like Paul Godfrey. On behalf of all those people who do not have that kind of clout, I am going to ensure they are going to get their day right now.

Mr. Leluk: They have their member.

Mr. Mancini: That is right, thanks. Where was I?

Mr. Barlow: The member is not going to start over again, is he?

Mr. Mancini: I am going to have to start over. Does Mr. Bailie object if I start over?

Mr. McKessock: If it was worth saying once, it is worth saying again.

Mr. Mancini: That is right. We were talking about the work a rural member does for the municipal councils.

Mr. Dean: The member was saying how harrowing it is in Essex.

Mr. Mancini: Harrow is a wonderful municipality. We have an excellent winery in Harrow, Colio Wines of Canada Ltd. We have another winery in Kingsville, the Pelee Island Winery Inc., and that is excellent too. Neither is on the list of the Minister of Consumer and Commercial Relations (Mr. Kwinter), so the members are free to drink as much as they like.

The rural member is the liaison between every municipality and every ministry of this government. In each rural municipality the rural member is the liaison. I have always said that every member of the House, particularly the urban members, should be forced to represent a rural constituency for at least one year, just to understand the work we do gladly, the work that is necessary and the liaison and the communications that are necessary.

As the former mayor of a small town, the member for Wentworth (Mr. Dean) knows exactly what I am talking about. He knows very well the work he has to do on behalf of the municipalities he represents.

Before the commission lumps 12, 14 or 16 municipalities together, it should think of these things as well as both the positive and negative effects of what it does.

I have said all along, and I have even told my colleagues from the Niagara area, that they got preferential treatment in these hearings. It is not because anybody set out to give them preferential treatment; I do not believe that. However, the way things turned out, they pretty well kept all the representation they had, while places such as Essex and some other parts of southwestern Ontario lost representation. Frankly, I find that offensive.

I want to get back to the boundaries for a moment.

An hon. member: Promise?

Mr. Mancini: I promise.

Mr. Shymko: For just one moment.

12:30 p.m.

Mr. Mancini: For several moments. I want to educate the people over there. They do not understand Essex county, and part of my job is to educate those guys over there. They did not understand Essex county when they were in government and they do not understand it now.

The Leamington area is going to be placed in the Essex-Kent riding. Leamington is the largest urban centre in the county of Essex. We are removing politically the largest urban area in the county of Essex and placing it in a Kent county riding. We are going to make Leamington the hub of an Essex-Kent riding that will stretch from the Gosfield-Mersea town line all the way out to Orford township. If I were a resident of Kent county, I would not particularly appreciate that.

When we have 38 per cent of this new constituency in the Leamington area and another major portion of the constituency just north of it in Tilbury, if I lived out around Highgate, Howard township or Orford township, I would be very unhappy because I would realize very quickly that all the action was going to be in Leamington; it is all going to take place there.

Whoever can carry Leamington politically and do reasonably well every place else is going to be the member. Those are the straight numbers of it. Orford township may never get a member. Orford township will not be heard as well as Leamington, and that is strictly because of numbers. It will happen because of a disruption of the community of interest.

All these municipalities that will be placed in this new riding will be vying for the member's attention, and any member who does represent this riding will try to treat all the municipalities equally, but it is obvious to anyone that where the population is greater there will be greater demand. That is a fact of life.

If I lived in Orford township, I would be just as unhappy as the people in Leamington, who are being politically removed from their county council, from their county and from their community of interest. The largest urban centre in the county of Essex will now be in a Kent county riding. I say to the commission, and I say to the people who made representation to the commission and planted this idea as something to consider, I do not understand what actual benefits they thought would accrue to our county by having that done.

As I wind up this opportunity, I want to say directly to the commission that I have several

objections. First, the system that was used, in retrospect, is unfair. They placed before the public a map that changed part of the county in some small way. Then the second map that was produced, when people had no opportunity for objection, changed it drastically. Rural representation has been significantly eroded. The community of interest in the county of Essex is being ignored.

The decisions made by the commission are going to last for decades. The people who have to live under the decisions that have been made are the ones who either are going to benefit or not benefit. It is all about whether we are going to ensure that the benefits we wish to accrue to these people do accrue or whether we place an obstacle in their way.

I say to the commission, please consider what I have said. Please consider the resolutions, which were passed unanimously, from the municipalities; I have copies in my office. Please consider what the associated growers are going to do. Please consider what I have said about the National Farmers Union, about the highway system and about the small municipalities in the far east end of Kent county.

I ask the commissioners to consider these matters. If, after they have done all of this, they can honestly say to themselves, "Yes, this is for the benefit of the people of the county of Essex," we will live with their decision. If they cannot honestly come to that conclusion, then somehow they have to make another decision. We want to have a decision they agree to.

I am not going to stand here and tell the commission to add another five seats. That would be wrong. It is for the commission to tell us. Maybe we made our first mistake in telling the commission it could go from 125 to 130 seats. Maybe we should have given it more leeway; even that is debatable. I want to hear from the commission after it has heard from the members. We are all prepared and we all have to live by what the commission finally decides.

I thank the members for their attention and the commission for the work it is doing.

Mr. Davis: I commend the commission for the work it has done, particularly in the very challenging aspect of trying to realign boundaries to meet population changes.

I point out to it that with the proposed Scarborough Centre boundaries, the commission has gone back to the original boundaries of the riding that were established in 1963. From 1963 to 1974, in the elections of 1963, 1967 and 1971, the boundaries of the riding were identical to the

proposed new boundaries. For the past 10 years, in the elections of 1975, 1977, 1981 and 1985, the boundaries were the existing ones.

It is my view and that of my riding association that to return to the old boundaries is not fair to the constituents, who only now are getting used to their electoral riding. The constituents are already confused because of the different boundaries of federal and provincial ridings that have the same names. Our provincial riding is overlapped by three federal ridings and people become extremely confused.

As I read the report, one of the goals of redistribution is an attempt to make it easier for voters to know their constituency. To return to the former boundaries when there has been no population change and no other significant development in the area, in our view would tend to upset and confuse the voters of Scarborough Centre.

Our present population is just 2,000 less than what the commission deems to be an equitable number of 72,000. If I understand the report correctly, the commission has failed to recognize and take note of what I like to call the natural boundaries that separate and divide communities and force groups of people in our culture and society to create their own types of communities.

One of those boundaries in Scarborough Centre is the rail lines. The rail lines create two distinct communities within the present boundaries. Those who live west of the rail lines in the proposed addition to Scarborough Centre are in a different location. The rail lines are a significant barrier in the whole essence of creating communities. People use different transportation corridors to move to the shopping areas. Their shopping areas are different. There is no sense of community between the two jurisdictions.

I urge the commission to do one of two things. It can retain the present boundaries of Scarborough Centre, which I believe are fair and just and which meet the criteria the commission has indicated are the criteria for the redistribution. Alternatively, if it wishes to make boundary changes: the eastern boundary should become Markham Road, as it suggests, from the lake to Lawrence Avenue; on the western boundary, I strongly suggest it continue to use the rail lines to Danforth and then go south along Midland Avenue to the lake. That would give a very compact area in which I believe there exists that identity known as a community.

12:40 p.m.

If the commission fails to respond to the suggestion that comes from myself and my

association, then I strongly suggest that it retains the original boundaries, those boundaries that the people in Scarborough Centre have had from 1974 to the present day. They are familiar with those boundaries. The individuals in those areas—the constituents, the senior citizens—know who their representative is, where the riding office is; to begin to encroach on and change those boundaries will just create confusion.

In my humble judgement, the commission has not definitively been able to ascertain or prove why there should be a boundary change in Scarborough Centre. I would urge the commission to either adopt our suggestions, specifically on the western boundary using the rail lines and Markham Road, and Midland Avenue south to the lake; or leave Scarborough Centre as it is currently constituted.

Hon. Mr. Riddell: I welcome the opportunity to speak in this redistribution debate. I was no sooner elected in the by-election of 1973 in a riding which at that time was known as Huron, than I was running in 1975 in a new riding with new boundaries known as Huron-Middlesex.

When the draft copy of that new boundary change came to our attention, I well recall the former member for Middlesex coming to me and saying, "Do you realize what the commission has done?" I said, "Yes, I think I do." He said: "They have put Strathroy in your riding. They have taken it out of my riding of Middlesex and put it in your riding" I said, "So what?" He said, "Strathroy alone can defeat you." I said, "I will take that chance." I do not know what happened in the meantime, but in the next draft Strathroy was taken out of the Huron-Middlesex riding and put back into the Middlesex riding. I had not even heard of the word "gerrymandering" until that time, but I know what it is all about now. However, I feel that I ended up with a clear conscience, and I am still here.

I recognize that redistribution is necessary. One might even say it is as sacred to the democratic system as is secret balloting. We have to keep in mind the principle of representation by population, by which the people of this province equitably delegate the responsibility to the members of this House to govern this province. With these points in mind and given the province's population growth in the last decade, I recognize there has to be some dramatic realignment of riding boundaries if we truly wish to maintain this representation by population ideal.

It is most appropriate to commend the redistribution commission on its efforts to make

the best of a very difficult assignment. The terms of reference given to the commission by the government of the day restricted its options and inevitably led to some angry criticism. I do not know why the government should tell the commission that it had certain parameters in which to work and that it could enlarge the Legislature by only five ridings. Why did it not let the commission do the job?

It should not have given them restrictions or put on these so-called parameters. It should have told the commission to do the best job it possibly could to end up with representation by population. Even if it means another 10 ridings, let them do the job. There should not be restrictions put on before they even had the opportunity to get down to the task for which they were appointed.

I do not envy the commission its task of having to redraw constituency boundaries, and being given only five new ridings to accommodate the growth in provincial population of almost 1,000,000 people in 10 years.

In the rural areas of the province there was an outcry against the proposed loss of rural seats and thus the loss of rural representation in the House. For example, as my colleague the member for Huron-Bruce (Mr. Elston) noted earlier in the debate, the four ridings of Huron-Middlesex, Huron-Bruce, Grey-Bruce and Grey have been diminished to the three proposed ridings of Huron, Bruce and Grey.

However, it is important to note during this debate that it was not the commission's wish to drop any rural seats. The terms of reference restricted the number of seats the commission could add to compensate for urban growth, forcing it to remove some rural seats as well. After their long travel across the province for public hearings, the commission members probably found themselves wishing for just a few additional seats to diffuse the criticisms aimed at them.

Looking ahead to future redistributions, it is important to give some thought to the general effects of adding any given number of seats. It should be evident at the outset of any redistribution that unless increases in riding numbers are proportionate to increases in population, the size of rural ridings and the size of the work load for the rural members will continue to become even more unmanageable.

I hope future redistributions can take into account that there are few government offices in rural communities and that not all problems can be solved over the phone. Rural members take on an extra work load because of this. They not only

investigate their constituents' problems in dealing with government offices, but also keep them informed as to where to find the appropriate government service to start with.

The commission probably realizes many constituents request a personal appearance by their member to look into some of their problems. I have handicapped people who cannot get out of the house and they ask me to pay them a personal visit. If a handicapped person in Goderich asks me to visit him on a Sunday, which is not unusual, and another handicapped person in the Strathroy area asks me to visit him the same day, that is more than a 100-mile drive from one end of my riding to the other. My riding may not even be as large as some of the ridings, particularly in northern Ontario where members have to travel miles and miles to see their constituents.

What is not taken into consideration is the travelling we have to do to meet our constituents, as compared to some of these urban members who can walk around their ridings in 20 minutes. That is what one has to take into consideration. This same point was made at the time of the last redistribution in 1975.

Some members pointed out that the establishment of constituency offices would solve the problem of constituent demands on rural members' time, and I was pleased that this past summer there was some increase in the funds to constituency services. The need and our appreciation for this funding is in itself a symptom of the difficulties of serving our constituents.

I note that of the 18 members who have taken it upon themselves to open more than one constituency office, none is an urban member. I want to know if there is one rural member in this House who does not feel an increasing burden on his or her time due to increasing constituent responsibilities. After the redistribution, our work loads will increase further as our ridings increase in size. I am sure constituents in urban ridings also put a substantial work load on their members, but they will be getting some relief from this redistribution through additional members.

The point I reiterate here is that this redistribution will expand the average size and population of rural ridings at a time when these same members are struggling to meet the constituent needs of their existing ridings. I do not have to tell members how busy the rural members are in their ridings. It is not uncommon for me to be dealing with constituents all Sunday. At one time I used to pride myself that I could go to church. Now it is generally constituents I am meeting with, instead of the minister. That is how busy

we have become in our rural ridings. The fact that we have to travel such a distance compounds the problem.

12:50 p.m.

I am speaking to not only the commission when I say this; I am putting these comments on record for when the next redistribution commission is established seven to 10 years from now. I hope the Liberal government in 1995 will take these comments into serious consideration.

Looking at my own area, the Huron-Middlesex riding will undergo some dramatic boundary changes, losing the Middlesex county township and adding the rest of the Huron county townships, to become the proposed new riding of Huron. I admit I will be sad no longer to have the opportunity to serve the Middlesex municipalities of McGillivray, Biddulph, West and East Williams, Adelaide, Parkhill, Ailsa Craig and Lucan.

These areas are like home to me because I was born and raised in London in Middlesex county. My father served as the agricultural representative for 42 years, and I am very familiar with those areas that I am going to lose if this redistribution takes place.

My colleague the member for Middlesex (Mr. Reycraft) spoke earlier in this redistribution debate regarding the expansion of his riding to add these same municipalities. I would like to take this moment to assure those constituents they will be most ably served for many years to come by the current member for Middlesex.

On the other side of my riding, the municipalities of Ashfield, Colborne, West and East Wawanosh, Wingham, Turnberry, Howick, Morris, Grey, Hullett, McKillop, Blyth and Brussels have been added, making the proposed riding of Huron the same as the county of Huron. I look forward to the chance to represent the constituents of this other half of the great county of Huron if redistribution goes through in its present form.

To bring my remarks to a close, I would like to note once again my dismay at the loss of rural ridings in this redistribution. The farmers are saying now that they have very little voice in what goes on in the province. Fewer than four per cent, closer to three per cent, of the population are now farmers. When they see more urban ridings being established and fewer rural ridings, they begin to think their voices will not be heard. They will be nothing more than voices in the wilderness. It is getting that close.

We will have this Legislature loaded with urban representatives and there will be fewer

rural representatives all the time. I do not think this is fair to the farmers and the people living in rural Ontario. The other rural members participating in this debate have reiterated the same point. I hope our collective voices of concern on this issue will indicate the need to re-examine the loss of these constituencies.

Mr. Jackson: I am pleased to be able to rise in the House this morning to comment on behalf of the riding of Burlington South in relation to the boundary commission's review. I was pleased to appear before the commission when it was in Hamilton last year to put forward my objections as a private citizen to the first draft and I was pleased as a member of this Legislature on June 13 to file a motion objecting to the second draft.

This whole procedure reads like a good-news-bad-news story. In fairness to the commissioners who are present in the House today, I wish to compliment them on their work to date. The difference between the first and second draft shows a sincere willingness on their part to respond to the many concerns raised by Aldershot residents vis-à-vis the splitting of West Burlington along Plains Road. I am pleased to see their interest in moving that division up to Highway 403.

The other good news was the reference in the report to the fact that it is more equitable that Halton region receive the additional one half electoral district, which would, in effect, increase representation for Halton region as a total from three to four representatives. On behalf of the three representatives, I will say that we appreciate the sensitive attention the commission has given to Halton.

However, there is some bad news. The bad news was that the commission admits quite clearly in its report, and I will quote it, "One undesirable concomitant of use of the regional boundary is that the region's constituent municipalities must be divided up in order to avoid population imbalances."

This is unfortunate, but it does not mean that the final draft we anticipate cannot be amended at this time in order to reflect a more positive feeling about the community of interest. If there is any criticism I can raise with the commission, it is that it has been preoccupied with population trends and not with the more substantive human interests of community of interest, existing municipal boundaries and communications among the citizens to be represented in this House.

It is important to note that the commission makes reference to a report from the region. For the purposes of the record, I would like to note

that the reference in the report is that the commission was guided by the four recommendations contained in the report from the regional municipality of Halton. However, the report presented only one recommendation. There were four suggestions, but only one recommendation. The commission has chosen to look at recommendation 3, which was not officially recommended before the commission by the regional municipality of Halton.

Specifically, the area of concern is the area in east Burlington bounded by Burloak Drive to the east—

The Deputy Speaker: Might I draw the member's attention to the clock? Since he seems to be starting on a new topic or a new area of his presentation, perhaps it would be an opportune time to move adjournment of the debate.

Mr. Jackson: If it is the chair's wish. I have about four minutes to go.

The Deputy Speaker: We will have to adjourn before four minutes.

Mr. Jackson: You have never had four minutes for me.

The Deputy Speaker: The member for Burlington South has moved adjournment of the debate.

Mr. Jackson: No, I did not.

The Deputy Speaker: Then carry on, please.

Mr. Jackson: Thank you, Mr. Speaker. I was in the process of describing the area in question. With the full support of the remaining members of the House, I will make this as quick as possible.

The area I wish to describe is the area bounded by Burloak Drive to the east, New Street to the north, Appleby Line to the west and Lake Ontario to the south. It is this specific area that is being proposed to be included in the Oakville riding. In other words, a small section of the city of Burlington would be included with Oakville.

I wish to impress upon the commissioners the fact that I have consulted with my two colleagues in this House who represent Halton and we have reached unanimity on the fact that this section of land should not be removed from Burlington South or any other Burlington riding for the purposes of representation by Oakville. The member for Oakville (Mr. O'Connor) has agreed. Both of us are willing to represent our entire communities, he the town of Oakville and I the city of Burlington, but the commission's population requirements prevent us from doing so.

It would appear that if this area were left in Burlington South, we would not violate the guidelines of the commission. We would still be within 10 per cent variance of the southern average of 68,267 souls. I would also note for the record the motion by the Burlington city council wherein it specifically objects to and protests this recommendation. A copy of this has been forwarded to the commissioner's office.

I have received in the neighbourhood of 65 letters—

The Deputy Speaker: I would draw the member's attention to the clock. It is now past

one o'clock. Do you wish to move adjournment of the debate?

Mr. Jackson: Yes, Mr. Speaker.

On motion by Mr. Jackson, the debate was adjourned.

The Deputy Speaker: Before the House adjourns, I would remind members of the Lucia Festival of Light program on the grand staircase. Perhaps members could go around that or use the elevators.

The House adjourned at 1:02 p.m.

APPENDIX

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

SURREY PLACE CENTRE

85. Mr. R. F. Johnston: Will the Minister of Community and Social Services provide a detailed list of the alleged benefits to be obtained through the proposed divestment of Surrey Place Centre from the public service? [Tabled November 6, 1985]

Hon. Mr. Sweeney: This ministry is committed to increasing the level of community involvement in the development and delivery of services. To this end, the rationale for the move to a community board is based on the principle of accountability and responsiveness to our community.

In addition, a divested Surrey Place Centre would be able to: apply for research and demonstration grants, for which staff are currently not eligible as civil servants; continue to expand service delivery through funding for research demonstration projects; apply for funding from other ministries, for which staff are currently not eligible as civil servants; and enter into a corporate fund-raising program.

The centre is a viable and valuable resource for developmentally disabled persons in Metro Toronto. The centre's viability as a provincial resource will be enhanced by its ability to assume increased responsibility for its own direction, with the advice and guidance of a community board and the ministry.

86. Mr. R. F. Johnston: Will the Minister of Community and Social Services provide a detailed listing of the funding agencies from which grants are now unavailable to Surrey Place Centre as a direct result of its connection to the public service, since one of the alleged benefits mentioned from time to time in support of the divestment of Surrey Place Centre is greater access to grant moneys? Will the minister further indicate any specific projects for which applications for grants have been rejected, the amounts involved and the nature of the projects concerned? [Tabled November 6, 1985]

Hon. Mr. Sweeney: Research granting agencies that refuse to consider research proposals submitted by staff of Surrey Place Centre because it is a government agency include the following: (a) Medical Research Council of Canada (MRC); (b) Social Sciences and Humanities Research Council of Canada (SSHRCC); (c)

Natural Sciences and Engineering Research Council; (d) National Research Council; and (e) J. P. Bickell Foundation.

Titles of research proposals and amounts requested that have been refused consideration because origination of proposal has been from Surrey Place Centre staff are:

(i) Preschool Research with the Developmentally Disabled. Request of \$247,700 for three years from SSHRCC. (Investigator: Dr. A. Rincover.)

(ii) A Neurobiological Study of Down's Syndrome or Other Chromosomal or Genetic Abnormalities, Foetal Alcohol Syndrome and Lead Neurotoxicity. Request of \$142,796 for two years by Dr. B. Scott.

(iii) Cognitive Deficits in Ageing Persons with Down's Syndrome and Alzheimer's Disease. Two-year project funded by Medical Research Council of Canada was given termination in mid-grant because of policy change by MRC, which would no longer accept or even consider applications from provincial government employees. \$50,000 for two years by Dr. A. J. Dalton.

87. Mr. R. F. Johnston: Will the Minister of Community and Social Services identify the programs/funding sources within the provincial government for which a divested Surrey Place Centre would be eligible to apply? Will the minister further indicate the level to which project or program expenses of a divested Surrey Place Centre could be funded by a provincial government program or funding source and the percentage of funds that would have to be raised from other sources? [Tabled November 6, 1985]

Hon. Mr. Sweeney: At present, within the Metropolitan Toronto area, the ministry is funding approximately \$30 million for transfer payment programs for the developmentally handicapped, excluding Family Benefits Act payments to individuals with handicaps. Surrey Place Centre, once divested, would be eligible for transfer payment funding for any new initiative and program development funding administered by the ministry.

At the point of divestment, the ministry will transfer to the community board of directors all programs in operation at that time at the approved allocation levels. At present, Surrey Place Centre

generates revenues of approximately \$300,000 per year through the receipt of research grants. The centre will continue to raise these funds and will in fact increase its capacity for this additional funding once divested from ministry operations.

88. Mr. R. F. Johnston: Will the Minister of Community and Social Services table any and all documents submitted to it by the management of Surrey Place Centre in support of divestment of that agency from the public service? [Tabled November 6, 1985]

Hon. Mr. Sweeney: In 1981, a document entitled Surrey Place Centre—A Five-Year Plan talked about the establishment of a board of trustees. This document was distributed to all staff at the centre and community agencies in Metropolitan Toronto.

In May 1985, a document entitled Surrey Place Centre: A Proposal for Incorporation as a Transfer Payment Agency was prepared to provide a basis for discussion on divestment of the centre. This report has been distributed to Local 511, Ontario Public Service Employees Union.

89. Mr. R. F. Johnston: Will the Minister of Community and Social Services table a recently completed study by the ministry into the parent relief program at Surrey Place Centre? [Tabled November 6, 1985]

Hon. Mr. Sweeney: The study referred to was a review of all parent relief programs serving Metropolitan Toronto.

The Toronto area manager requested a review of parent relief services for children who are developmentally handicapped as part of an ongoing process of evaluation of services. Its purpose was to develop a perspective on the availability and utilization of parent relief or respite services in Metropolitan Toronto.

This study does show that there is an underutilization of parent relief spaces in Metropolitan Toronto and area. It also identifies a need for more flexibility in services such as Extend-a-family and summer camps.

OPSEU already has a copy of this study and discussed its findings with me in a meeting on December 2, 1985. I am therefore prepared to table the study with the understanding that participating agencies were given a commitment they would have an opportunity to comment on the findings. Their comments are now being requested.

90. Mr. R. F. Johnston: Will the Minister of Community and Social Services indicate what the government's intentions are with regard to

the continuation of the parent relief program at Surrey Place Centre? [Tabled November 6, 1985]

Hon. Mr. Sweeney: The ministry has made the decision to review the parent relief program at Surrey Place Centre for the following reasons: low utilization levels and resulting inefficient use of resources; and an institution-like setting for parent relief was contrary to the ministry's policy of providing service in as normalized a setting as possible.

Should this review result in a decision to close the parent relief program, I will ensure that all clients' needs are met. As part of this review, staff of Surrey Place Centre and the Toronto area office have initiated a planning process to ensure that children currently being served by the parent relief program at Surrey Place Centre will continue to receive services from alternative parent relief programs.

It should be noted that various community agencies now involved in parent relief can expand their capacity to serve more children, with our assistance.

Also, resources will be made available to address some of the issues identified in the review of parent relief services mentioned in question 89.

In the event of closure, the 11 members currently on staff with the parent relief program will each receive a commitment for alternative employment within the ministry.

In summary, I wish to inform the member for Scarborough West that I have met with members of OPSEU head office and Local 511, and I have discussed all these matters with them.

91. Mr. R. F. Johnston: Will the Minister of Community and Social Services table a detailed estimate of the employer contributions to the public service superannuation fund on behalf of the current employees of Surrey Place Centre which were not vested as of October 31, 1985? [Tabled November 6, 1985]

Hon. Mr. Sweeney: Total number of employees, 120; number of employees not vested, 66; dollar value for public service superannuation fund (six per cent), \$443,908.32; dollar value for superannuation adjustment fund (one per cent), \$87,986.52; total (seven per cent), \$531,894.84.

*Average dollar value per employee (PSSF and SAF), \$8,059.

*Average years of service per employee, seven years.

*Not vested—employees who have less than 10 years of service regardless of age.

Should a divestment/transfer of Surrey Place Centre occur, the following action would occur with respect to pension:

The necessary funds, not less than the contributions plus interest of the employee and employer contributions to the Ontario public service superannuation fund, exclusive of indexing, computed up to and including the date of transfer, would be transferred to the pension plan under the new employer.

With respect to the indexing (public service superannuation adjustment fund), the employees will have their contributions plus interest refunded.

DRUG BENEFIT FORMULARY

99. Mr. Runciman: Will the Minister of Health please table a list of all drugs listed in the July 1985 Ontario drug benefit schedule which

are not yet available? [Tabled November 25, 1985]

Hon. Mr. Elston: The ministry's drug quality and therapeutics committee has recommended that the following list of drugs be added as benefits in the July 1985 edition of the Drug Benefit Formulary. However, the approval process, which requires a change in regulation under the Health Disciplines Act (pharmacy part) to be made by executive council, was forestalled because of the litigation brought by Apotex Inc. on September 12, 1985. Without the required change in regulation, the ministry was unable to proceed with the publication and distribution of the July 1985 formulary or to confirm with drug manufacturers which drugs had been approved/not approved for listing.

Additional Drugs Recommended for Listing in the July 1985 Drug Benefit Formulary

Therapeutic Category*	Drug	Strength/Dosage Form
Antibiotics (Antifungals)	Ketoconazole	20 mg Tab
Sulfonamides	Sulfasalazine	500 mg Tab
Antineoplastic Agents	Flutamide	250 mg Tab
Antianaemia Drugs	Ferrous Fumarate	300 mg Cap
Coagulants and Anticoagulants	Heparin Sodium	25,000 USP/mL Inj Sol
Cardiac Drugs	Procainamide HCl	250 mg LA Tab
	Procainamide HCl	500 mg LA Tab
	Procainamide HCl	750 mg LA Tab
	Tocainide HCl	400 mg Tab
	Tocainide HCl	600 mg Tab
	Sotalol HCl	160 mg Tab
Antilipemic Drugs	Gemfibrozil	300 mg Cap
Analgesics	Hydromorphone HCl	12 mg Tab
	Hydromorphone HCl	4 mg Tab
	Hydromorphone HCl	3 mg Sup
	Hydromorphone HCl	2 mg/mL Inj Sol
	Hydromorphone HCl	10 mg/mL Inj Sol
	Morphine HCl	1 mg/mL O/L
	Morphine Sulphate	20 mg/mL Oral Drops
Anticonvulsants	Carbamazepine	100 mg Chew Tab
Psychotherapeutic Agents	Clorazepate Dipotassium	3.75 mg Cap
	Clorazepate Dipotassium	7.5 mg Cap
	Clorazepate Dipotassium	15 mg Cap
	Lithium Carbonate	300 mg LA Tab
CNS Stimulants	Methylphenidate HCl	20 mg LA Tab
Replacement Agents	Calcium Carbonate	750 mg Tab
	Calcium Carbonate	1250 mg Tab
	Calcium Carbonate	1500 mg Tab
	Calcium Gluconate	1000 mg/10 mL Inj Sol

Therapeutic Category*	Drug	Strength/Dosage Form
Diuretics	Aminophylline Aminophylline	250 mg/10 mL Inj Sol 500 mg/ 10mL Inj Sol
Miotics	Pilocarpine HCl	4% Oph Gel
Eye, Ear, Nose and Throat Agents	Polyvinyl Alcohol	1% Oph Sol
Antidiabetic Agents	Insulin (Lente) Human Semi-Synthetic Insulin (Isophane) Human Semi-Synthetic Insulin (Zinc Crystalline) Human Semi-Synthetic	1000 U/10 mL Inj Susp 1000 U/10 mL Inj Susp 1000 U/10 mL Inj Susp
Thyroids	Levothyroxine Sodium	0.025 mg Tab
Anti-Inflammatory Agents	Hydrocortisone Fluocinolone Acetonide Fluocinolone Acetonide Diflucortolone Valerate Diflucortolone Valerate Diflucortolone Valerate	0.5% Lot 0.025% Oint 0.01% Oint 0.1% Cr 0.1% Oily Cr 0.1% Oint
Emollients, Demulcents and Protectants	Octyl Dimethyl PABA and Oxybenzone Pedicimate and Oxybenzone	7% and 3% Lot 8% and 3.5% Cr
Keralolytic Agents	Anthralin Tretinoin Tretinoin Tretinoin	1%, 2% Oint 0.01%, 0.025% Gel 0.25% Cr 0.025% Sol
Skin and Mucous Membrane Agents	Etretinate Etretinate	10 mg 25 mg Cap
Vitamin B	Cyanocobalamin Cyanocobalamin	0.1 mg/mL 1 mg/mL Inj Sol

*For easy reference, these drug products have been listed according to their therapeutic classification in a manner similar to that seen in the Drug Benefit Formulary.

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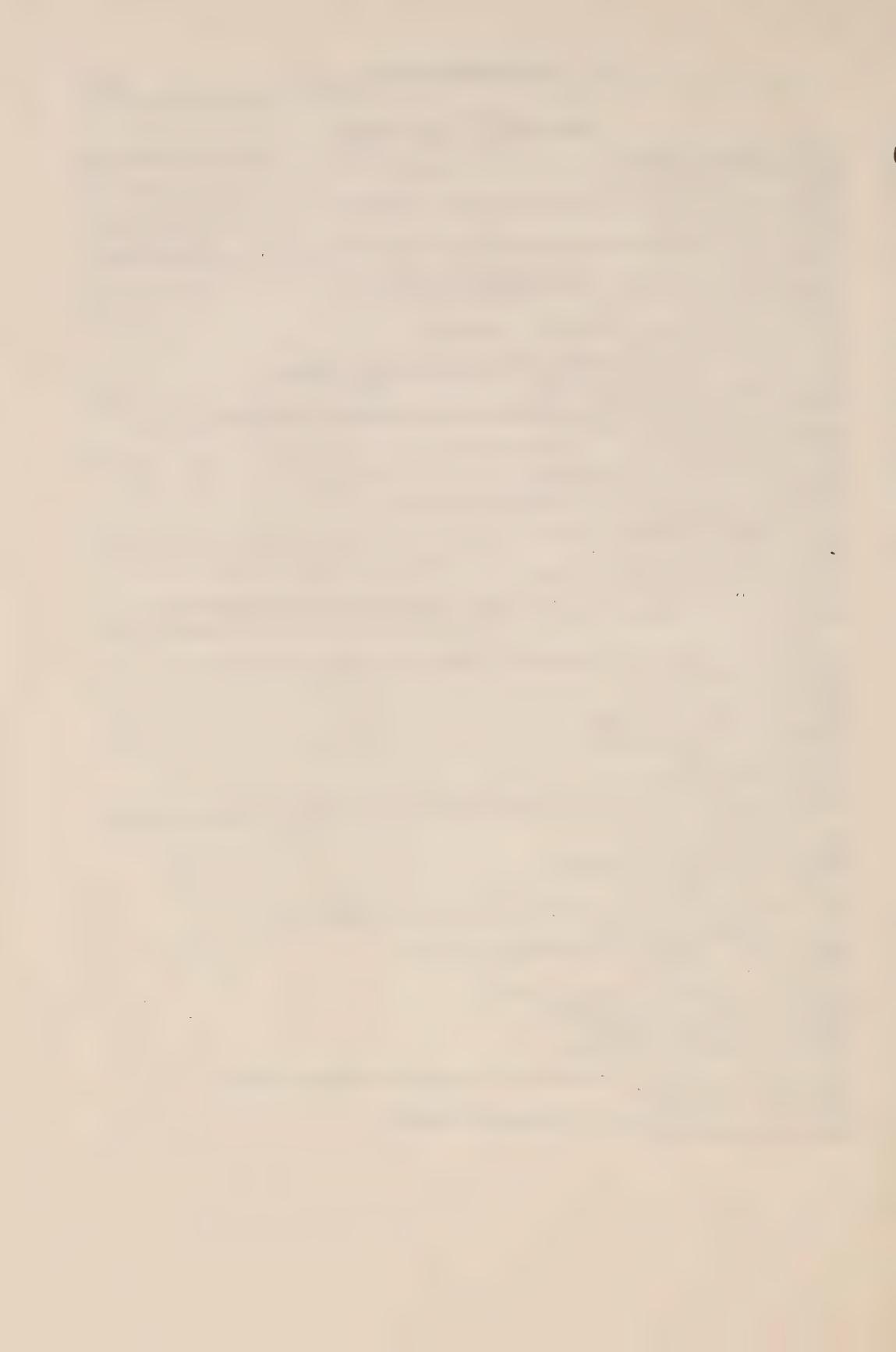
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No. 70

Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Monday, December 16, 1985
Afternoon Sitting

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, December 16, 1985

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

HOUSING POLICY

Hon. Mr. Curling: A priority of this government since it took office a little more than five months ago has been to come to grips with the very crucial issues we face in housing.

Today I wish to inform honourable members, and through them the people of Ontario, of a major change in direction and attitude towards housing in this province. This change is designed to accomplish a number of objectives, including the need to bring certainty back into all elements of the housing market.

It is designed to protect tenants and give confidence to landlords and the building industry—in short, to provide a housing policy that is fair and just for all. Our commitment is to ensure that the supply of housing from the public and private sectors meets both short-term and long-term needs through a farsighted and consistent policy by government.

Our goal is to put in place a balanced system: one that recognizes the valid worth of the building industry and its investors and one that will be a living housing policy to ensure that all Ontario residents have access to a basic need—adequate housing at reasonable cost—now and in the future.

Today I am pleased and proud to announce a new direction in housing policy for our province. I call it Assured Housing for Ontario. At this time, I would like to table two documents dealing with our new policy.

The first is a position paper detailing the current housing situation and outlining the key thrusts of our assured housing program. The second document outlines the reforms to rent review contained in legislation that I shall be introducing into the House shortly.

Our government proposes to achieve an era of assured housing for the people of Ontario through a program based on five main elements: (1) a fair and effective system for protecting the rights of tenants; (2) a policy of equitable treatment for owners of rental property in a

climate of increased confidence; (3) prompt measures to meet essential housing needs, with the government assuming an active role; (4) a commitment to a dynamic, efficient building industry which will continue to be a major source of employment in Ontario; and (5) an era of improved co-operation and conciliation among governments, producers and consumers of housing throughout this province.

The challenge we face is to make basic, affordable housing available to all in Ontario. That is what our assured housing policy is all about. This policy rests on four pillars: an improved housing supply; a new rent review system; a building industry strategy that will promote employment; and, finally, the effective use of government-owned lands for housing.

Despite the high level of home construction, we are still confronted with low vacancy rates in rental housing. Our studies indicate that if we are to meet current demand, some 320,000 rental and ownership units will have to be built during the next five years. That would just maintain the status quo. We have to do more.

Our policy, assured housing for Ontario, tackles the problem of insufficient affordable housing head on. During the next five years, it will produce a total of 43,000 rental units, including 32,000 social housing units. It stimulates the private sector to build a further 5,000 units of rental housing for low- and moderate-income tenants and it encourages the creation of a further 6,000 affordable units through conversions from other uses.

However, the government by itself will not be able to undertake the massive investment that will be needed. For this reason, we will reform the rent review system to provide fair and just treatment for both tenants and landlords in order to get real movement on rental construction in this province.

I will deal first with the reforms to rent review that we are proposing as a key component of our assured housing policy. In doing so I wish to stress that the government has consulted extensively with all sectors of the community that could be affected by our new policy, particularly tenants and landlords. I am pleased to advise the House that we have obtained the support of both

tenant and landlord leaders from across Ontario for our reform measures.

As the first step in creating a new atmosphere of trust and confidence, the Rent Review Advisory Committee has been established. It consists of equal representation from both landlords and tenants. I am pleased to announce that this committee will be co-chaired by Mary Hogan, director of Parkdale Community Legal Services, and William Grenier, chairman of Pagebook Holdings. I think he is in the gallery today.

The Rent Review Advisory Committee will have a crucial role to play in providing policy advice on legislative and procedural changes that will benefit landlords, tenants, the building industry and the public. I look forward to receiving the committee's input.

Under the new legislation I will be presenting to the House, the government proposes a much more effective system of rent review. The fundamental change we are proposing involves a restructuring of the operations of the Residential Tenancy Commission.

First, a network of rent review advisers will be set up throughout the province to process rent review applications and conduct tenant-landlord meetings in a thorough but less formal way.

Second, a new Rent Review Hearings Board will be established. Only those cases that cannot be resolved directly by the rent review advisers will go before the Rent Review Hearings Board. It is our expectation that fully 70 per cent of all disputes will be resolved through the more informal and much less costly services of the rent review advisers.

2:10 p.m.

Our new legislation will fulfil this government's commitment to extend the rent review process to virtually all rental housing in the province and to establish a ceiling of four per cent on annual rent increases, retroactive to August 1, 1985. Thereafter, the guideline will be set at a rate linked to, but not as high as, the rate of change in inflation. Given the prospect of continued low inflation, I foresee a four per cent guideline for all of 1986.

In addition, the legislation will fulfil this government's commitment to extend and make permanent the existing five per cent cap on rent increases that landlords can pass on to tenants after purchasing and mortgaging a building.

As well, we will establish a province-wide, phone-in rent registry, which will enable tenants to confirm the legal rents of apartments in Ontario.

In regard to our decision to extend rent review to all properties, including post-1975 construction and units that rent for more than \$750 per month, we believe all renters are entitled to the protection of rent review. I should add, however, that under the system of rent review prevailing up to now, these tenants could still be subject to very significant rent increases. We have, therefore, devised a system that will hold any increases on those units to a fair and just level.

We also recognize that the private sector cannot be expected to accept the uneconomic operation of rental housing. This is important if our present housing stock is to be saved from further deterioration and new housing stock is to be brought on to the market. We will, therefore, be making provision in our rent review legislation to allow for the elimination of economic losses for units constructed after 1975.

This will be done on the basis of formulae to be developed by the advisory committee. In addition, we recognize that some buildings in the pre-1976 stock are locked into chronically depressed rents. An interministerial committee is being established to examine ways to permit more realistic rents in these cases without increasing the cost to renters with affordability problems.

It will be the goal of our assured housing policy to achieve the construction of 345,000 new units, both rental and ownership, over the next five years. This level of activity, which represents some 69,000 housing starts per year, will be required to meet new family formations, to replace housing stock being removed from the market, to raise the vacancy rate to a competitive and manageable level and, perhaps most important, to make up the existing shortfall that has resulted from the current situation.

To achieve these goals, a combination of legislative initiatives and direct government action will be required. Our program of assured housing for Ontario calls for action in both these areas.

In support of these goals, the government will commit more than \$500 million over the next five years to a variety of measures. These range from helping in the production and upgrading of rental housing to the funding of housing alternatives for seniors and to providing additional subsidies for lower-income tenants.

The government will commit \$72.6 million over the next three years to ensure that more than 20,000 new nonprofit and co-operative units are built, representing \$1.2 billion worth of con-

struction. They will include 15,000 units with rents geared to income.

Under the rental supply initiative called Renterprise, the government will provide \$75 million in interest-free loans for the construction of an additional 5,000 units.

The government's convert-to-rent program to encourage conversion of nonresidential buildings to rental housing is being expanded. Loan assistance for the production of hostel-type accommodation for single persons, as well as new rental housing within single family accommodations, is now eligible. Six thousand units of moderate-cost housing have been added to the program.

The assured housing program also provides for the rehabilitation and upgrading of older rental units in both high-rise and low-rise buildings. This is an important initiative, because we cannot allow existing housing to fall below a standard that is acceptable for decent housing in this province.

We are providing more than \$88 million to a low-rise rental building renewal program that is designed to upgrade 17,000 units over the next five years. Loans will be available at \$5,000 per unit for pre-1960 buildings.

In the high-rise field, we are earmarking \$11.3 million for a high-rise rehabilitation project to cover upgrading for 1,500 rental units. This project will also assess the amount of rehabilitation work that is needed in older high-rise buildings and its potential impact on tenants and landlords.

On that point, working with my colleague the Minister of Municipal Affairs (Mr. Grandmaitre), this government intends to take a strong stand against efforts to remove sound affordable rental stock through conversions and demolitions.

Our assured housing program includes many other initiatives, which are described in the papers I have tabled today. In addition, the program addresses ways in which the government can provide encouragement to the building industry to improve its efficiency and productivity. As part of an overall building industry strategy, we will be undertaking an in-depth reform of construction regulations involving 281 different provincial acts and 422 sets of regulations.

I want now to make reference to Ontario's investment in social housing. Through the Ontario Housing Corp., we are the second largest landlord in North America. We support a total of 121,700 rental units, which provide homes for

more than 300,000 people at a cost of roughly \$1 million a day. This is a great responsibility on both a fiscal and a social level. Today we are opening a new chapter in the administration of Ontario Housing in this province. We have done well, but we must do better still.

One major effect of our assured housing strategy will be to increase the supply of moderate-income rental housing and thereby reduce the long waiting list for subsidized housing. In addition, through my ministry, I am determined to improve the living environment of our clients in order to reduce the sense of social segregation many Ontario Housing residents have felt in the past and assure them a place in a broad community with the full dignity and respect they deserve.

We have honoured fully our commitments during the last provincial election. We have also achieved the commitment of the Premier (Mr. Peterson) to this House of July 2.

I believe we have been able to respond to the fundamental issues raised by the different groups most closely affected by our housing policy: tenants' associations, the owners of rental properties, nonprofit housing groups, municipalities, builders' associations and the public at large. This process of consultation will continue so that all of us can participate in the process of developing policy that is fair, just and responsive.

In my opening remarks, I said today marks a major change in the direction and attitudes toward housing in this province. The overall effect of this comprehensive policy is to establish formally the provision of housing as one of the highest priorities of this government.

I believe every member of this House, regardless of political affiliation, will share my concern that we move ahead with determination to address the housing problem in this province. For that reason, I am confident I will have the support of every member of the Legislative Assembly for this policy.

We owe the people of Ontario nothing less. We believe decent, affordable housing is achievable for all Ontarians. We believe that equitable treatment is the right of all, whether tenant, landlord, home buyer or builder.

2:20 p.m.

This government has set a new course in open dialogue and made a new commitment to the people of Ontario. We begin now to introduce a new era of assured housing for the people of Ontario.

Allow me to say thanks to the civil servants who worked tremendously hard to bring about this policy and to the tenants, builders and developers, as well as some of my colleagues in the House, who have worked to bring about the most comprehensive housing policy we have seen.

REPORT ON PROPERTY ASSESSMENT

Hon. Mr. Nixon: This statement concerns the Ministry of Revenue. The members will recall that on November 8, I tabled a report on property assessment called *Taxing Matters*, which was prepared by my parliamentary assistant the member for Waterloo North (Mr. Epp). At the same time, the report was distributed to all municipalities, as well to many other interested organizations and individuals, for a total of more than 3,000 copies.

Since that time, I have had the benefit of views on the report expressed by various members during the review of the Ministry of Revenue's 1985-86 estimates and the passage of Bill 57, An Act to amend the Assessment Act. In addition to commentaries in the press, my parliamentary assistant and I have received responses from municipalities and other interested parties. While these reactions are inevitably of a preliminary nature, I am very encouraged by their positive nature.

As I said on November 8, the report advances 53 recommendations that constitute a comprehensive program for reforming Ontario's municipal assessment systems. Consequently, I fully realize that many of the report's major recommendations will require careful consideration by the government, members of this House and our municipal partners before it is determined whether, when and how they might be implemented.

In the meantime, I am pleased to inform the members that I have decided to proceed with the immediate or early implementation in 1986 of eight recommendations that do not require legislation. While these measures are primarily administrative, they nevertheless represent material improvements in ongoing assessment practices and customer service. They will also provide a sound basis for the subsequent implementation of other recommendations.

For the benefit of the members, I am providing fuller details of the recommendations being implemented as an attachment to this statement. Briefly, however, they can be summarized in three groups.

First, in line with established practice and recommendation 27, I have authorized the release of 59 impact studies requested by municipal councils that are considering the implementation of section 63 reassessments in 1986. Parenthetically, I should also remind the members that in July, I released the impact studies on reassessment in Metropolitan Toronto that had been prepared in 1982 but were subsequently withheld.

Second, the ministry will implement three recommendations, recommendations 11, 12 and 40, that will clarify and provide more information on our policies and practices on internal inspections and that concern the exemption of assessment of improvements to residential properties.

Third, the ministry will proceed with four recommendations, recommendations 26, 28, 33 and 35, that involve significant improvement and increased public availability of a wide range of assessment manuals, guides and bulletins as well as the design of supplementary and annual assessment notices to ratepayers.

Most of these measures will take effect early in January, while the remainder will support specific events during the 1986 assessment cycle. In addition, most of the measures involve improvements that actually go further than the recommendations in the report.

Finally, I wish to remind the House that I have already acted on a number of the recommendations in the report of my parliamentary assistant. Apart from the release of the Metro Toronto impact studies, these include the continuation of the freeze on assessments under Bill 57, which is recommendation 18, and my decision not to appeal the ruling of the Ontario Municipal Board concerning 48 Russell Street in the city of Toronto, which is recommendation 44.

In conclusion, I am optimistic that it will be possible to reach a widely based consensus on the implementation of the remaining recommendations in my parliamentary assistant's report without protracted delays.

Of particular importance is recommendation 52 concerning the establishment of a consistent and sound assessment system in Metropolitan Toronto. In this connection, I wish to commend publicly the initiative taken by Chairman Dennis Flynn and other municipal leaders in Metropolitan Toronto in establishing a task force, under the chairmanship of the chief administrative officer of Metro and with the participation of Metro's municipalities, with a mandate to prepare proposals for consideration by Metro and area

councils early in 1986. This should then allow us to move to the establishment of an expanded task force, as recommended by my parliamentary assistant, which would be charged with resolving key policy questions concerning reassessment in Metropolitan Toronto and the establishment of an implementation plan and schedule.

REPORT ON FINANCIAL INSTITUTIONS

Hon. Mr. Kwinter: I am pleased to announce the release today of the final report of the Task Force on Financial Institutions.

As some members will recall, the task force was formed in June 1984 to examine the organization and operation of financial institutions in Ontario and to determine what pressures on that financial system might require attention from government. Dr. J. Stefan Dupré chaired the three-member advisory group. The other members were Alexander MacIntosh and Rendall Dick.

The task force issued an interim report on January 30, 1985, which put forth a number of proposals for consideration by the Minister of Consumer and Commercial Relations. As well, it set out the timetable for the process of open consultation. Public hearings were held by the task force this past summer. My staff and I are carefully studying all the recommendations.

I am most appreciative of the work that has been done by Messrs. Dupré, MacIntosh and Dick. These gentlemen have brought together a wealth of knowledge and experience concerning the economic and legal issues in the financial arena. I feel certain their discussions and recommendations will have a major effect on this government's development of overall policy in the very complex area of regulation for financial institutions.

I hope members will review the report and find it informative.

EMPLOYEE HEALTH AND SAFETY

Hon. Mr. Wrye: The development of regulations for the control of worker exposure to toxic substances is a vital part of the Ministry of Labour's occupational health and safety program. This government and this ministry believe that while there is much to commend the toxic substances regulation development program in place, improvements can be made.

On November 21, 1985, I announced that section 145 of the industrial regulation would be revised so there would be in place a general regulation for toxic substances which is explicit, stringent and enforceable. In addition, we

believe workers should have a statutory right to receive better information and training concerning toxic substances in their work place. I plan to make an announcement on this initiative in the near future.

I would like to inform members of other recent advances made in this important area. Shortly after I assumed the ministry, I reviewed the process then in place to develop designated substance regulations and determined that a tighter timetable was required if the number of these special regulations were to increase at a more acceptable pace. To this end, the occupational health and safety division has prepared a detailed schedule for the development of designated substance regulations with a series of deadlines. I have informed the division, labour and management that these deadlines will be adhered to.

Today, I am pleased to inform the honourable members that the Lieutenant Governor has now signed the regulation respecting asbestos on construction projects and in buildings and repair operations. This regulation will be filed today and will take effect on March 14, 1986.

Let me take a moment to highlight the essential features of the regulation. The regulation is different from the existing asbestos regulation in that it sets out specific controls for different types of work. This approach is suited to the dynamic character of the construction industry. The regulation also requires building owners to establish a comprehensive maintenance program for asbestos in buildings. Where it is apparent that friable material containing asbestos is deteriorating and falling on to building surfaces, the regulation requires that the building owner take appropriate remedial action.

The regulation also contains other key features. It prohibits the spraying of materials or the installation of boiler or pipe insulation material containing more than one per cent asbestos; it sets out procedures for the use and care of respirators; it provides for instruction and training of workers; and it sets out the record-keeping and medical surveillance requirements.

The new asbestos regulation was developed with the assistance of the provincial labour-management health and safety committee of the Construction Safety Association of Ontario and others. It incorporates some 20 recommendations contained in the report of the Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos. The regulation was reviewed by my Advisory Council on

Occupational Health and Occupational Safety, which offered positive and timely advice.

2:30 p.m.

The asbestos construction regulation is the first of the designated substance regulations for the construction industry. Proposed regulations for lead and silica on construction projects were published in the Ontario Gazette in September 1985. I plan to transmit these regulations to my advisory council in April and May of 1986, following open review meetings in January and February.

Additional construction regulations for the control of mercury and coal tar will be published next month with a view to holding open review meetings no later than May and July of 1986 respectively. I expect to send these regulations to my advisory council in August and December of 1986.

In the nonconstruction sector, I have accelerated the pace of development of designated substance regulations. In September, I sent the proposed arsenic regulation to my advisory council for review and comment. Once council's advice is received, I will proceed immediately to enact a regulation for the control of exposure to arsenic. In October, an open review meeting was held on the ethylene oxide regulation, and notices of possible designation were published for welding fumes and polychlorinated biphenyls.

I shall proceed in the near future with the generic approach to regulation development for substances such as irritants, solvents and carcinogens. This will increase dramatically the number of toxic substances covered by special regulation.

The timetable for the development of toxic substance regulations establishes uniform comment periods following the publication of notices and proposed regulations. It also reduces the time periods between stages in the process so the regulations will proceed at a steady but accelerated pace.

In closing, the important developments outlined today demonstrate this government's commitment to ensuring that workers in this province are protected from harmful exposure to these substances.

ORAL QUESTIONS

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: I have a question for the Premier. Pursuant to the undertaking he gave to this House last week on the sale of the Urban

Transportation Development Corp., can he tell us, among those job guarantees, how many of the 1,750 UTDC jobs the government will be trying to protect?

Hon. Mr. Peterson: I understand there is a rationalization program going on at present as a result of the previous government's option of cancelling the GO advanced light rail transit program. I cannot be precise; I wish I could be. I am sorry. I can check that information out for the honourable member. I cannot tell him the present complement, let alone what UTDC's plans are at the moment with respect to the current operation.

Mr. Grossman: Let me share with the Premier the plans his government has with regard to those employees. I have in my hand a copy of a draft letter sent out by Wood Gundy, the people he used to try to conduct this fire sale for him. The letter says—

Mr. McClellan: It is a draft of a copied letter.

Mr. Grossman: It is a letter.

Mr. McClellan: How can he get a draft of a copy?

Mr. Grossman: Does the member remember when he used to be able to get these? Does he remember when he was in opposition?

Mr. McClellan: I always get the final copy. I do not need a draft.

Mr. Speaker: Order.

Mr. Grossman: The letter his government had sent out, protecting the 1,750 jobs which he said would be guaranteed says, "As a minimum level, we will maintain employment of 600 people at Thunder Bay and 200 people at the UTDC facilities at Kingston for a period of not less than five years following the closing."

Since this is the job guarantee his agents are providing, which is to provide guarantees for 800 of 1,750 employees, can the Premier tell us what he is going to do with regard to the 950 employees whose jobs he is not prepared to guarantee and whom he is prepared to jettison in his rush to sell UTDC?

Hon. Mr. Peterson: The member forgets the history. Again, I remind him that his government cancelled the GO-ALRT program, and as a result of the rationalization programs brought about by his government, UTDC started looking at the staff. We are going to protect all the staff we possibly can.

Mr. Rae: When the Premier wrote a letter to the Prime Minister of Canada concerning jobs at de Havilland, he talked about protecting employment levels at the Downsview plant. I would like

to ask the Premier specifically why the government is anticipating further layoffs at Kingston and lower levels of employment at Thunder Bay and why he is not anticipating a growth in employment in both places and insisting on a guarantee for those workers and their families in both communities?

Hon. Mr. Peterson: The answer is that we are not anticipating fewer. We are looking at this company to make it grow, not to allow it to wither quietly. The reality, and I am sure the honourable member understands it, is that one can employ people only if one has orders and if one is selling and growing. When one looks at the order book and at what is ahead and at potential contracts available to gather up around the world, then we are looking at the options to enhance that employment, not to see it wither.

I am sure even my friends opposite, the free enterprisers, would agree that if there are no orders, one cannot automatically keep that employment going for ever. They chose to cancel GO-ALRT and they chose to lay off hundreds of people from UTDC. We are trying to protect those people, bring them back into the employment mainstream and give them jobs; to do that, we have to sell.

Mr. Grossman: Let me first inform the Premier that the cancellation of GO-ALRT affected 100 to 150 jobs.

Let us talk about heartless. Let us talk about the answer the Premier gave in this House last week. The question was, "Did the 21 letters require of prospective purchasers job guarantees for the UTDC workers?" The Premier will forgive me, but I meant all the workers. The answer he gave was, "Yes, that is my answer."

Can the Premier explain to us specifically how he could have given the answer to the House that he would require job guarantees for the UTDC workers, when what he meant was that this letter sent out by him did not even set a target of protecting all the jobs but said he wanted a guarantee that fewer than half the jobs would be protected?

Hon. Mr. Peterson: My friend is coming in here today and trying to rewrite the question he asked last week. I say with great respect that this is not a very competent way to ask questions.

No deals have been signed. We are looking at maximizing that employment. The Leader of the Opposition can get as excited as he wants. He can change his questions every day if he wants to, and that is fine. Everything we do will be subject to scrutiny by him and by anyone in this House who is interested.

However, I want to say what I said last week. We are looking at the options. The preliminary 20 letters that were sent out—not 21—were just feelers, as they say; they were not contracts. I think the member knows that.

2:40 p.m.

Mr. Grossman: The question is the Premier's credibility in answering questions in this House on this important deal.

The Premier will know that in recent years, UTDC has been committing approximately \$2 million from earnings to research and development. The provincial government has been kicking in another \$1.5 million each year. We are informed that he has received an offer from Bombardier, reflected in this letter which refers to Bombardier, which stipulates that it will carry on only research funded by the government.

It will carry on only research funded by the government, specifically \$2 million supplied by the province and \$2 million it will seek from the federal government. Can the Premier or Mr. Kruger confirm, therefore, that under the Bombardier offer—I know it has not been accepted yet—none of the company's earnings would be spent on research and development?

Hon. Mr. Peterson: My honourable friend is getting all tied up in a knot here about something that has not even happened. I do not know why he chooses to do that.

Why does he not look at the things we have done and criticize those, as opposed to criticizing the things we have not done or something that may or may not happen in the future? If the member wants to stand in this House and criticize some hypothetical occurrence a month or two or three from now, that is fair enough, but my friend is getting all upset about nothing.

Mr. Pope: What are 900 jobs? Just shrug them off.

Mr. Gillies: The Premier washed his hands of de Havilland. We do not want to see the same thing here.

Mr. Speaker: Order. Supplementary.

Mr. Grossman: Last week the Premier said no foreign companies had been contacted. Four days later, he read out a letter that he had sent to a foreign company. This week, we discover that the job guarantees he said were in place last week are, in fact, job guarantees for fewer than half the UTDC workers.

We are talking not about the future but about things the Premier has said in this House when trying to inform this House and the public what he is up to. In the light of that, we want to know

whether there is a Bombardier offer and whether it indicates the company is not prepared to spend any of its own money on R and D. Is the Premier going to undertake to this House he will not accept an offer of that nature?

Hon. Mr. Peterson: To help out my friend so he is clear, I was just given a note with respect to employment. The union employment in Thunder Bay is 696 and management employment is 121. In Kingston, the union has 315 and management has 536. The member can see quite clearly that the discussions were about union employment, not management employment. That clears up his—

Mr. Grossman: Forget about that.

Hon. Mr. Peterson: My friend has redrafted his question. He is putting certain propositions to me in this House. I have no idea where he is on this issue. He is the one who has turned down money; he is the one who turned them down in the past; he is the one who said he would not contribute any public money to the situation.

Let me tell him that no deals have been signed and no formal offer has been received. There are letters going back and forth, but nothing has happened. If and when it does, we will be very happy to share it with the members.

Mr. Rae: Let us see how close we are getting here to an agreement. The Premier says no offer has been accepted and no formal offer has been received. Can the Premier give us a time frame? Mr. Kruger has said he thinks things should be clearer by the end of the year. When does the Premier anticipate that some kind of a deal will be arranged and what are his plans with respect to presenting this proposal to the Legislature?

Hon. Mr. Peterson: I understand there will be a meeting with British Rail Engineering Ltd., perhaps tomorrow and/or the next day. There are ongoing discussions with a couple of Canadian parties, as the member is aware. Nothing has been signed at this point. There have been pieces of paper passing back and forth stating certain intentions but nothing in a legal form that anyone could construe as a contract. I cannot tell the member when that will happen for sure. It might be by Christmas, and then again it might not.

Mr. Grossman: The Premier is running the most secretive, deceptive operation I have ever seen in this House. He is playing word games with his answers on this matter which directly impacts on employment.

Mr. Pope: What are 900 jobs?

Mr. Speaker: Order. Final supplementary.

Mr. Grossman: I would like to come back to the jobs. The Can-Car Rail plant in Thunder Bay has 815 employees; VentureTrans in Kingston has 398; Metro Canada Ltd. in Kingston has 345; Transportation Technology Ltd. in Downsview—the member will be interested to know—has 135, and UTDC in Toronto has 70. The management the Premier refers to in Kingston includes 300 engineers doing research and development. The Premier remembers R and D.

Once again I ask the Premier, why is he not prepared to guarantee jobs for more than half of the UTDC employees?

Hon. Mr. Peterson: If my friend wants to continue to beat this dead horse, go ahead. He is welcome to do it. That is not where we are coming from. He has his figures confused again. He wants to redraft a question he asked last week.

We are anxious to protect all of that employment and that is the approach. No contracts have been signed. How long does it take him to understand that? We are looking at the survivability, at the ongoing viability of that company, and that is the approach we are taking. There is no question about it.

We are looking for orders. We are looking at how to make sure we can keep those contracts going. As the member knows, I was in Vancouver last week and it was very exciting to see that technology there. We have to make sure we get other contracts for it and therein is the crux of the problem.

Mr. Rae: The technology is so good the government is determined to sell it right away. It does not make any sense and the answers do not make any sense.

Is the Premier aware that Wood Gundy, the firm handling negotiations for the government, is the same firm that is currently underwriting a share issue for Bombardier and the same one that has underwritten shares for Bombardier for 15 years? What has he done to ensure there is no conflict of interest with respect to this deal?

Hon. Mr. Peterson: Frankly, I was not aware of that. I say to the member, I assume they are acting professionally and there is not a conflict of interest in this situation.

Mr. Rae: Bombardier has on its board Mr. Simon Reisman and the Honourable Jean-Pierre Goyer, a former Liberal cabinet minister, with well-known connections to the Liberal Party.

Can the Premier tell us precisely what he discussed with Mr. Bourassa last Thursday at his dinner meeting with respect to Bombardier? Specifically, can he tell workers in Ontario that their jobs, R and D, and Ontario's interests are

protected if UTDC is sold to a corporation based in Quebec and of which the whole raison d'être to the present has been the expansion of employment in Quebec?

Hon. Mr. Peterson: In response to the member's question, I had a delightful dinner with Mr. Bourassa. He asked me why the New Democratic Party was doing so poorly in Ontario, as it was in Quebec after the election. He could not understand why the NDP was not asking better questions in the House. Of course, he was regretting the fortunes of the Tories right across this country. We had a nice chat in that regard.

He asked me about UTDC. No details were discussed. I said we were looking at privatization options. He is aware that Bombardier is one of the firms concerned, but there are others, as I said before, and that was the full extent of it. There were no conversations other than that.

Let me make one point that is important. The member assumes that in its present form UTDC is just going to continue and get bigger and better. He assumes those jobs and R and D are going to be protected if nothing happens to it. Let me tell him, that assumption is incorrect.

Most people, including the former minister in charge, Jim Snow, and others, believed that company was ready to be privatized, at least in some form. It is at a critical stage in its development. It must grow rather than contract. It is in a fiercely competitive international business. There is competition from all around the world. Because of the cutbacks in transportation subsidies in the United States, fewer and fewer major contracts are being given out.

2:50 p.m.

The member has seen the problems of UTDC and I do not want to get into a discussion of those in this House. The member is aware of them and has seen them in the past. I believe we have to protect that asset and should try to enhance it and build it. That is why these discussions are going on. What I do not want to see is that company wither on the vine; I want to see it grow and go into new areas, areas it can go into if outside expertise is brought in. As I told the member before, there are certain areas it could compete in if it had some private sector help.

Mr. Speaker: Order.

Mr. Grossman: I was enjoying the imitation of the Minister of Industry, Trade and Technology (Mr. O'Neil). You should not have interrupted him, Mr. Speaker.

With all the Premier's devotion to UTDC, I suppose he is aware that the result of all the meanderings he and Mr. Kruger have been up to is that US purchasers now are refusing to conclude negotiations with UTDC because they are confused as to who is going to own the company and whether the company has any future whatever. That is the Premier's responsibility.

Therefore, I ask him a very simple question: Has he received an offer to purchase, or notice of intent to purchase or notice of intent to make an offer to purchase, from Bombardier? We have learned about the Premier and we have learned about the word games he plays to leave one impression when he means another.

Mr. Speaker: Order.

Mr. Grossman: When we talk about all the jobs, he means half the jobs.

Mr. Speaker: Question.

Mr. Grossman: Why does the Premier not tell us what he has from Bombardier? Is he prepared to tell us?

Hon. Mr. Peterson: It was my honourable friend who some time ago brought the principle to this House: "I am not going to negotiate through the media. Look at my record on the Chrysler negotiations and others. I refuse to negotiate publicly." That was the Leader of the Opposition (Mr. Grossman), not me. He accuses us of being a secretive government. I do not understand how he can stand up in the House and say that. I have trouble understanding my friend. He is changing his position.

I can assure him that we are concerned about UTDC's best interests. We have had a lot of discussions and there are things on paper, but there is no signed formal contract.

Mr. Rae: It is precisely the continued secrecy surrounding the de Havilland deal, where a letter of intent was signed and yet no documents were placed before the Parliament of Canada and very little information was placed here, that forced Liberal members provincially—I believe the member for Downsview (Mr. Cordiano) was there—and federally to demand a very different approach.

What different approach are we going to see with respect to UTDC by the Liberal government in Ontario? Specifically, before any final deal is signed, is the Premier prepared to bring all proposals before the Legislature so that we can scrutinize them and discuss them with the workers involved so they can have far greater information? Let the people and the parliament of

this province see what the heck the Premier is doing before he does it, and not afterwards.

Hon. Mr. Peterson: The member is presumably asking us to go out and collect a number of proposals, bring them into this House and then all 125 of us can have a very thoughtful discussion as to which is the best proposal, and then some of us will go and sign the deal. That is what he is asking. I say to him with great respect that is most impractical in the circumstances.

As to the analogy with de Havilland, the difference is—and I share the member's frustrations about that deal—here we are a week or two after the deal has been made and we still do not know the facts. The friends of the Conservatives opposite are still not sharing the information with the people of this province.

That is not my view; my view is that with every deal we sign, we have the responsibility. I assure the member that the responsibility we take is open to complete scrutiny by him and everyone else. All those documents will be shared, as they have been on the Stadium Corp. of Ontario Ltd. I invite the member to look at every single piece of paper the Stadium Corp. has looked at. That is open to scrutiny. Now that the board and the technical committee have made a decision, I think that is open to every single bit of scrutiny the member or anyone else in this House wants to give it, because it is in the public purview.

If and when a deal is made, I will invite the member to do the very same thing with UTDC. Barring proprietary, exclusive trade secrets, I think we are prepared to share that deal, because it is taxpayers' money, not mine, not the member's, not theirs, and we have too much respect for the taxpayers to treat their money promiscuously. We have too much respect for those employers and employees to see them lose their jobs. We want to see it grow and build and we are prepared to share with the member the various alternatives and the reasons for the judgements we make, if and when we make them.

HOUSING POLICY

Mr. Rae: I have a question of the Minister of Housing with respect to the statement he made today.

First, we are proud of the fact that he has lived up to the commitments in the accord. We are very proud of the achievements that are there. I think we have gone some of the way. There was a seven-year drought in housing and it is high time we ended it. We have waited long enough.

The document says, "The government intends to take a strong stand against efforts to remove sound affordable rental stock through conversions and demolitions." Yet I do not see anywhere in the vast documentation which the minister has very kindly provided to us, any indication of what legislation the government plans to bring in with respect to either conversions or demolitions. Can the minister tell us where that is and when it is coming?

Hon. Mr. Curling: The reason the document indicates only my concern is that it does not fall under my portfolio. The Minister of Municipal Affairs will be bringing in a statement very soon on that matter.

Mr. McClellan: I have a question of detail about one of the more welcome aspects of his housing policy: the announcement that the government will be committing \$72.6 million over the next three years for the construction of 20,000 nonprofit and co-operative housing units. I am sure the minister is aware there are many thousands of nonprofit units which could be built right now and many dozens of municipal and co-operative nonprofit housing developers who are sitting on proposals for his ministry—

Mr. Speaker: Could I have the supplementary, please?

Mr. McClellan: Yes, you can.

Can the minister tell us when he will be in a position to accept proposal calls from the nonprofit sector?

Hon. Mr. Curling: I will be in a position to accept proposals in January.

Mr. McFadden: I have a supplementary to the question of the member for York South (Mr. Rae), not the member for Bellwoods (Mr. McClellan), with regard to demolition control.

I have raised in this House on a couple of occasions in the last month problems faced by demolition control. In particular, three buildings at Eglinton and Bathurst are scheduled to be demolished in the next month or so and the tenants, many of whom are senior citizens, are scheduled for eviction on December 31. Further to that, we have another group of four buildings which I raised with the minister about a month ago in which approximately 100 tenants, two thirds to three quarters of whom are over the age of 70, are also scheduled for eviction within the next month or two potentially. Yet a month has now passed and we still have heard nothing.

I awaited with great interest what the minister was going to bring in today. We find there is no mention of demolition control. We hear that

another minister may bring it in due course. The fact is there are hundreds of people who could be thrown out on the street within the next month or so.

Mr. Speaker: Question, please.

Mr. McCadden: When is the government going to act on that matter? Can he give us some idea what the timetable is?

Hon. Mr. Curling: I do not think the honourable member was listening very well. As I said, the matter does not fall under my portfolio. It falls under the portfolio of the Minister of Municipal Affairs. The member said there was no mention of it in my statement today. It has been mentioned that I am concerned about the loss of buildings in those situations.

3 p.m.

I know and can appreciate the member's anxiety. I hope he had the same anxiety when his party was in government and had the chance to do something about it. Now he wants us to do something immediately. In a very short time, we will have legislation to control those demolitions.

Mr. McClellan: I have to confess I was confused about why the government would have repeated the mistakes of the previous government, which introduced the birdbrained Ontario rental construction loan program. Why has the minister brought in a successor to the ORCL program, which he is calling Renterprise—

Mr. Rae: Son of ORCL.

Mr. McClellan: Yes. Renterprise, son of ORCL, will be receiving \$75 million in interest-free corporate welfare grants. Can the minister explain to us why he has chosen to follow the totally foolish path of his predecessors in giving away this kind of money to the private sector, which is not necessary, which does not provide affordable housing and which has been subject to the most incredible ripoffs?

Mr. Speaker: Order. That is hardly a supplementary. However, there was a quite a large statement. Does the minister wish to answer?

Interjections.

Hon. Mr. Curling: "All things are relevant," he said.

The member may ask why we are copying. We did not copy the previous program at all because in this instance we have the confidence of the developers.

[Laughter]

Hon. Mr. Curling: I know that is almost a laughable situation for the opposite side because it had no confidence in that. Now that we have this trust or confidence on the standards situation, they will direct their efforts towards bringing about affordable units. That is where the difference is. We will make sure affordable units are built and are accessible.

Mr. Gordon: I have a question for the Minister of Housing. Some months ago he said he was going to do away with the housing crisis and the confusion. Then he went out and immediately contradicted himself on rent controls. Now he says he is going to inspire a new measure of confidence and trust in this whole system; yet he is stripping tenants of 10 years of rights of going before an impartial and independent agency. Can the minister tell us what he is doing in these new proposals that does not turn the tenants' rights into a rubber-stamp for the landlords?

Hon. Mr. Curling: I can sympathize with the member. He was late and did not get a chance to read the brief. I hope he gets a chance to read it properly tonight. Since it was in all the papers that I was making this statement today, I am very disappointed the Housing critic on that side was not early enough to be here to listen and that he had no chance to read it.

We are not doing away with tenants' rights. The system that was in force had 180 days for the first year. If there was an appeal, there was a further 190 days. We are bringing about a less adversarial position in which tenants can bring their concerns through this administrative process. This will be done much more efficiently and in a less formal way. If not, the decisions arrived at from this position can be further appealed to the Rent Review Hearings Board. I assure the member it will be done in a much more efficient and less costly way.

Mr. Timbrell: A week ago today in this House, in answer to a question from the member for Eglinton (Mr. McCadden), the minister said tenants' rights to public hearings on "rent hikes," as my colleague called them, would not be eliminated. Yet today he has confirmed in his statement and in his answer minutes ago that he is abolishing those hearings on initial rent review applications. How is it that has changed in one week's time? Did he mislead the House one week ago today?

Hon. Mr. Curling: If the member finds I misled the House, it is the way he heard it. I said this situation has not abolished that position at all. As a matter of fact, they are in a better

position to bring their cases and to be heard properly.

Mr. Timbrell: The minister said the hearings would not be abolished.

Hon. Mr. Curling: The hearings are not abolished. A Rent Review Hearings Board is being set up for all of the hearings. It is the same way.

Mr. McClellan: Now that the minister has announced his rent review policy and has stated government policy with respect to tenant protection legislation and many other matters, can he explain to us why he is permitting the Thom royal commission to continue another second? Why does the minister not simply get on the telephone this afternoon—perhaps the Attorney General (Mr. Scott) would help him—and cancel the royal commission so we do not waste any more money?

Hon. Mr. Curling: As the member knows, the Thom commission was set up by the previous government. I think it has done a very effective job in phase 1. The member will also realize that we have encompassed some of the recommendations that were in the report. We realize that we cannot wait around, because there are some situations that have to be dealt with. Hence, we have this policy.

I am sure the Thom commission is doing some very effective work in its second phase, which could be used by our Rent Review Advisory Committee, and we will include it as we go along.

INJURED WORKERS

Mr. Mackenzie: I have a question for the Minister of Labour. Since his government is clearly on record that Workers' Compensation Board pensions will be automatically indexed as soon as possible, and since injured workers have suffered as few others have during the years waiting for this basic right, will the minister tell this House why he says the bill is ready and he is prepared to proceed, but the House leader tells him there is no time on the agenda before Christmas and that there is no legislation because the minister has not produced the legislation for the House?

Who is really holding up automatic indexing of Workers' Compensation Board pensions and why?

Hon. Mr. Wrye: We have made great progress. I am hopeful we may be able to move matters ahead in the next few days.

Mr. Mackenzie: Since we in this party are prepared to facilitate the passage of index legislation for recipients of WCB pensions this week, can the minister assure us we will have them before Christmas?

Hon. Mr. Wrye: The commitment of this government to injured workers in this province is unequivocal. In the election of last May, this government ran on a platform of indexing pensions and all benefits to the injured workers of this province.

We have had consultation during the summer and into the fall with both the trade union movement and the business community. These matters have been reviewed thoroughly by a number of cabinet committees and with my colleagues. As we draw close to the Christmas adjournment and as we draw close to a season when it is better to give than to receive, I hope that before Christmas this Legislature will be able to give indexation to injured workers in this province.

3:10 p.m.

HOUSING POLICY

Ms. Fish: I have a question for the Minister of Housing, who has just told this House that the rent review hearings will presumably be set up in the same way under his new proposal as they are now. I am very troubled by this and I would like the minister to confirm for me that his proposal has removed the right of hearing at the first level and confined the right of hearing on appeal. Is that correct?

Hon. Mr. Curling: In the administrative process that had been set up, many things were going to the Residential Tenancy Commission that could have been dealt with outside that process. We felt too much time was being wasted there, and time is money for both tenants and landlords. If it could be resolved in a less formal way, we would do that.

There is no taking away of the hearings for tenants or landlords. If they do not like the first decision in the process, they can go to the Rent Review Hearings Board. I will say that again so the honourable member can understand it. They still have the right to go to the Rent Review Hearings Board.

Ms. Fish: I understand the question very well; it is the minister who does not. The minister has taken away the right of a hearing at the first level and substituted it with a bureaucratic stamp. He has then taken away the right of the full appeal hearing by going to what he calls a rent review hearing at a first level with a commissioner, with

no further appeal beyond that. Has he then compounded this withdrawal of rights from tenants by establishing, at the point at which they do finally get a hearing, if they are concerned, that they may be liable for the costs of the hearing?

Hon. Mr. Curling: I repeat that it will be much more efficient. If the member listens a bit more, she may get the answer. Many of these issues can be resolved in an informal situation. Like the previous questions I have been hearing, it is hypothetical. I am confident it will work more efficiently than the system the Residential Tenancy Commission had in place in which it took more than a year to get a final hearing.

DARLINGTON NUCLEAR PLANT

Mr. Charlton: I have a question for the Premier. I assume the Premier had the opportunity to see the report of the select committee on energy on the Darlington project or at least a summary of that report from his staff. In July the Premier stated some concerns about the amount of money which might have been spent on Darlington and whether it was still feasible to consider cancellation of that project. Can the Premier explain to the House why he allowed Ontario Hydro to spend or commit an additional \$1.1 billion on the Darlington project while the committee was attempting to look at the options around that project?

Hon. Mr. Peterson: Hydro has to go on and run itself even while the committee is deliberating on the whole matter. As the member knows, it is an independent crown corporation. I chose not to issue an edict, pending the deliberations of the committee. I had no idea how long it was going to take. I did not ask it to hold up things. It had to go on and build those factories according to its own plans until it was given orders otherwise. That is what happened.

Mr. Charlton: The Premier's answer does not reflect the level of concern he expressed in July about the extent to which that project was committed. Since the Premier has shied away from his former position on Darlington since the election, and since the question on Darlington has been hooked almost exclusively to the economic questions of its cost and the cost of cancellation, can the Premier tell us in the light of the fact that the province's credit rating has been downgraded, what the new estimates of the total cost for Darlington will be and how much he is prepared to see that cost escalate before he does something about stopping the project?

Hon. Mr. Peterson: I am sorry, I cannot give the honourable member a calculation of what the re-rating through Standard and Poor's would do. My guess is it would be quite small, if anything at all. Over a long time, it adds up a little more, but I do not expect it would be very significant. It would not be significant with respect to the \$11-billion figure people are talking about as the ultimate cost of Darlington.

Mr. Cureatz: In regard to the committee's report, might the Premier indicate to this House the time period in which he and his cabinet colleagues would be acting on the report, or would he be waiting until the select committee brings forward its second report on the supply options, after reviewing those aspects of Ontario Hydro?

Hon. Mr. Peterson: I cannot give the honourable member the precise cabinet agenda today, but we hope to deal with that in the very near future. I am sure he is aware that this government has been extremely busy dealing with a number of pressing public policy issues. The cabinet agenda has been very full on every single cabinet day, but it is my intention to deal with this matter sooner rather than later.

RENTAL ACCOMMODATION

Mr. Gregory: My question is for the Minister of Housing in regard to his announcement today about his government's position on rental housing. A major rental housing developer in the region of Peel, Kaneff Properties Ltd., has expressed concern to me and to many in regard to the proposed policy to extend rent controls to include all previously exempt buildings, including those built after 1976 and those containing units renting for more than \$750 a month.

[Applause]

Mr. Gregory: I know that goes over very well with my friends to the left.

Mr. McClellan: And the tenants. Do not forget the tenants.

Mr. Speaker: Order. We are waiting for the question.

Mr. Gregory: This developer is a major developer and a public benefactor in the city of Mississauga and the region of Peel. He has explained and demonstrated that since the policy initiative was first hinted at, he will not build any new rental housing anywhere and has totally drawn away from the market.

If this was an isolated incident I would say okay, so be it, but it is not. The minister's claim that he has talked to representatives of the

building industry and that they all agree with him is total nonsense.

Mr. Speaker: Question, please.

Mr. Gregory: What does the minister intend to do about the rental market to encourage developers to build rental units, apart from throwing public money at them?

Hon. Mr. Curling: I am not quite sure I understand the question. At one moment, I thought I was going to redirect it to the member for St. George (Ms. Fish), but I think I know what the member is asking.

If that individual developer said he would not build, I presume he must have said that prior to my announcement of the policy. I would advise him to read the policy and then the member can direct that question to me.

Mr. Gregory: I suggest the minister should listen to the questions as well as he expects us to listen to his nonanswers. He did not even listen to my question. I was referring to the retroactivity and to the imposition of review on rents of more than \$750. That is what I was addressing and he did not address himself to that.

Mr. Speaker: Order. Supplementary, please.

Mr. Gregory: What specifically does the minister intend to do?

Hon. Mr. Curling: I heard the member's question quite well. I wondered whether the developer he mentioned had read the policy. If he made the comment before the policy was there, I could understand that because he may have been going on the previous government's record of what rent review policy was all about.

The policy I present gives fair treatment to developers. After reading that policy, he can then make a comment to me on whether he will build under those conditions. It is an entire package, not the one the previous government brought forth here.

SUPPORT STAFF

Ms. Bryden: I have a question for the Minister of Colleges and Universities. It was reported in the press last September that approximately 2,000 part-time support staff in Ontario's 22 community colleges were in a no man's land as far as having the right to bargain collectively is concerned. That right is guaranteed by the Canadian Charter of Rights and Freedoms.

When will the minister end this discrimination against employees, many of whom are women, who perform very essential services in the colleges? When will he bring in legislation to repeal the exclusion of these employees from the

coverage of the Colleges Collective Bargaining Act?

Hon. Mr. Sorbara: My friend makes a very good point. The exclusion of part-time staff is indeed governed by legislation, the same legislation that governs all collective bargaining in the community colleges.

Some months ago I made a statement in the House and in the press dealing with collective bargaining with community college faculty and support staff. I mentioned we were looking at the whole process of collective bargaining in the community colleges but we would not undertake that exercise while negotiations were going on, and they still are going on, with faculty members.

We are developing a process to look at collective bargaining throughout the system, and the issue of part-time support staff will be one of the things we look at. The results of that study will perhaps end up in legislation if it is our decision at that time to give part-time staff the right to bargain.

3:20 p.m.

Ms. Bryden: It seems unfair that the part-time support staff should have to wait until the minister finishes bargaining with the faculty. Is the minister aware part-time support staff in at least 10 community colleges have applied for certification but the Ontario Labour Relations Board is unable to process their applications because of this exclusion? How can the minister justify further delay in granting these employees a basic human right, which was taken away from them by the previous government in the schedule to the act?

Hon. Mr. Sorbara: If the question is whether I am aware of it, certainly I am keenly aware of it. Indeed, I have met with Jim Clancy, the president of the Ontario Public Service Employees Union, on a number of occasions and we have discussed this very issue.

I do not take responsibility for making the exclusion; that was done in legislation passed many years ago by a previous government. We now have to look at the collective bargaining process in the community colleges, and it is one of the things that is very high on my agenda.

I realize the predicament that part-time staff are in. The fact is that when the legislation was passed, there were very few part-timers; now the numbers have changed substantially. However, I am not prepared now to make a commitment one way or the other; it has to be done in the context of a broader review. That review will take place, and I hope to get it under way as soon as possible.

RENTAL ACCOMMODATION

Mr. Gordon: I have a question for the Minister of Housing. In his position paper, he tells us he is going to have 44,000 rental units built across Ontario during the next five years. Exactly what assurances does the minister have from developers that they are going to build those 44,000 units during the next five years when he has rejected a fair return on investment?

Hon. Mr. Curling: I cannot recall rejecting a fair return on investment.

Mr. Gordon: In August, the minister told the public that 80,000 private rental units would be needed during the next five years. What has happened in the interim that reduced it to 44,000 units?

Hon. Mr. Curling: I will have to take the figures the honourable member is quoting and find out where I had spoken about those units. In the meantime, I want to assure him that when I said today that I had the support of the tenants and of the landlords, I meant that the approach of the government has given them confidence that they can come in and build once more and they are sure of the direction this government is going.

EXTENDICARE LONDON NURSING HOME

Mr. D. S. Cooke: It has now been three months since the tragedy took place at the Extendicare London Nursing Home, where 19 people died. Why is it that, as of today, my understanding is that the Ministry of Health still has not decided whether charges are going to be laid against that nursing home, where 19 people died?

Hon. Mr. Elston: I thank the honourable gentleman for his question. It is a tragedy that occurred at this nursing home and, as the member well knows, the information is being assembled even now for the coroner's inquest, which is to take place on February 24, I believe. We are looking at all the information being generated, and it will form part of our decision-making process.

Mr. D. S. Cooke: I do not know what that has to do with whether the ministry is going to decide to lay charges under the Nursing Homes Act and under the Health Protection and Promotion Act.

The minister will understand that two reports were written by Dr. Styliadis. He cited 25 violations in the first one after he visited the home on September 20. He cited several other violations after he visited the home on September 24. When 19 people died in that nursing home, why on earth can the minister not take a strong

stand and lay charges under either the Health Protection and Promotion Act or the Nursing Homes Act?

Hon. Mr. Elston: As the honourable gentleman knows, we talked about this last week in estimates and some concerns were expressed about the report. Some concerns were expressed by the member that we had not acted on the report. That study may very well form part of the review of the entire operation that was carried on during the deaths that resulted at the Extendicare facility.

The information we have is being reviewed thoroughly for the purpose of determining the question of charges. I know this member and the member for Cochrane South (Mr. Pope) are quite interested that a final determination be made. I can tell them both that we are moving very quickly to finalize our decision in these matters.

Mr. Pope: We are talking about 19 deaths. We are talking about events that occurred more than three months ago. Based on the minister's answers last week in estimates, he has not even seen the information on which to base a decision as to whether charges are going to be laid.

Why has the minister refused to expedite this matter in his ministry? Why has he refused to make a decision on whether charges will be laid? Is he planning to delay his decision until after the inquest is held?

Hon. Mr. Elston: I have seen the reports the member for Windsor-Riverside (Mr. D. S. Cooke) has mentioned. I have seen other data and material. I have not, as the honourable gentleman has expressed it, seen them all at one time.

The two gentlemen who are quite concerned about this have not expressed their desires in the matter, other than that we should move quickly to make a determination. Neither of them has indicated he wants to ensure that the Ministry of Health has all possible details and material that would be of use to it in making a decision.

I have requested all detailed information be made available to us so we can sensibly and thoroughly review the matter before making a final determination.

ONTARIO HOME RENEWAL PROGRAM

Mr. Jackson: I have a question for the Minister of Housing. I know every member of this House shares my disappointment at the very limited reference to the Ontario home renewal program in his statement today. As the minister knows, it has been one of the most popular programs in this province. In fact, it has been so popular in Burlington that about 35 families are

on the waiting list. Will the minister please tell this House what plans he has to put new money into this program for home owners waiting for assistance?

Hon. Mr. Curling: I presume I can say that anything is better than nothing. The honourable member said he is disappointed we did not put in more. Previously, there was nothing—

Mr. Bennett: Not quite nothing; come on.

Hon. Mr. Curling: Not quite nothing; maybe one or two. However, we have put enough there to start stimulating it.

Mr. Bennett: I had a program, and there were millions left over.

Mr. Speaker: Order.

Mr. Jackson: I am not sure whether I received an answer to my question. As I said earlier, about 30 families in Burlington are waiting for this assistance. As the minister knows well, my community is also represented by his colleague the member for Halton-Burlington (Mr. Knight).

I wrote to the minister on this question during the summer and he replied on November 18. I will quote. In part he said, "The revitalization of OHRP is one of my short-term objectives, and I expect to announce initiatives in this regard in the very near future." Why would the minister mislead communities such as Burlington by saying there would be new, revitalized funds for the program? When is he going to come out with some support for this program?

3:30 p.m.

Hon. Mr. Curling: I did not mislead the community. There is money sitting in municipalities that has not been used.

Mr. Bennett: Exactly what did I say two minutes ago? The Liberals have a great way of playing it both ways.

Interjections.

Mr. Speaker: Order. Is there any further reply?

Hon. Mr. Curling: The member needs to be told about the remark that I have misled the community. The Association of Municipalities of Ontario is working with me to identify municipalities that have inactive programs. If we can transfer some of that money in his area—

Mr. Jackson: That is not new money.

Hon. Mr. Curling: I am saying that if there is no more action on the money that has been sitting there, we are trying to generate some activity there and direct it to places that need it more.

HEPATITIS VACCINE

Mr. Reville: I have a 39-second question for the Minister of Health. The minister will be aware of concerns raised in this House by the member for York South (Mr. Rae) and the member for Windsor-Riverside (Mr. D. S. Cooke) that the high cost of hepatitis-B vaccine may be exposing Ontario residents to a health risk.

The city council of Toronto today is considering a report from the local board of health that recommends an immunization program for the household contacts of hepatitis-B carriers. Will the minister assure this House that he will respond favourably to a city of Toronto request for 100 per cent provincial funding for this immunization program?

Hon. Mr. Elston: The honourable gentleman is asking me to guarantee a response to a report I have not yet seen. I will take a look at the recommendation. I do not even know whether they have made a decision. Does the member know whether they have made a decision? If he does not, how can he ask me to respond to a decision that has not yet been taken?

When they report to me, obviously I will review it, as we do with respect to a number of reports, but I refuse to be locked into saying I will guarantee a favourable response to whatever is in the report. I cannot do that, and the member cannot realistically ask me to do that.

PETITIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Reycraft: I have a petition signed by 174 residents of Middlesex and London. It calls on the government not to extend public funding to Roman Catholic separate secondary schools. The text of the petition is the same as several that were presented in the Legislature last week and before and I will dispense with the reading of all of it.

Mr. Harris: I too have a number of petition cards—I estimate about 450—many from teachers who are members of District 33 of the Ontario Secondary School Teachers' Federation in the district of Nipissing, with others from some of the parents in the district of Nipissing.

The petition states:

"Ontario is a multiracial, multicultural and multifaith society that is well served by a strong public school system. Your government's proposal to extend public funding to Roman Catholic separate secondary schools is a backward step since it will grant special status to one

specific denominational group. We urge you and your government not to proceed with this divisive proposal."

A big heading says, "Preserve Public Education." I am pleased to submit this on behalf of the 450-odd residents of Nipissing.

FLOODING

Mr. Wildman: I have a petition signed by 18 people, who are not odd, from the Goulais River area:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario, and in particular the Honourable Vincent Kerrio, Minister of Natural Resources, and the Honourable Bernard Grandmaître, Minister of Municipal Affairs:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"That the residents of Goulais River, an unorganized area, who have been adversely affected by the high water level of Lake Superior, be eligible for the same technical and financial assistance as are residents of municipalities under the Shoreline Property Assistance Act."

FAMILY LAW ACT

Mr. D. R. Cooke: Mr. Speaker, I have two petitions, both sponsored by Fathers for Justice, an organization concerned with the rights of noncustodial parents. The first one is signed by 403 people and reads:

"We, the undersigned, agree that the Family Law Act should be changed to the benefit of both parties in a divorce, separation and custody action."

JUSTICE OF THE PEACE OFFICERS

Mr. D. R. Cooke: The second petition comes from a belief and understanding that I think has been clarified since the petition was taken. It is signed by 242 people and reads:

"We, the undersigned, agree that the justice of the peace office in Kitchener-Waterloo should be investigated to determine why the JP officers are biased in their decisions when it comes to laying charges."

As a result of discussions held as recently as last Saturday with the organizers of that group, I understand they are now in agreement that the justice of the peace office in Kitchener is following directions in accordance with the law and recent court decisions in terms of their refusal to lay contempt charges in certain situations in which noncustodial parents are having difficulty in obtaining access.

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Runciman: I have a petition from Leeds and Grenville District 37 of the Ontario Secondary School Teachers' Federation. The wording is similar to that outlined by the member for Nipissing, and it is signed by 217 members of district 37.

Mr. Guindon: I have a petition from the OSSTF Seaway Valley District 21. It is a petition like the ones we have seen around lately and last week. It is also from the Coalition on Public Education, which comprises many sectors of our society; it has been distributing petition cards, which have been filled out and signed by many residents of the Cornwall area. The petition is signed by Elaine Kennedy, president of District 21, OSSTF.

REPORT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Harris from the standing committee on public accounts presented the committee's interim report on the domed stadium finances and moved its adoption.

Mr. Harris: The standing committee on public accounts held a considerable number of meetings throughout the extended recess that the government provided us with during August, September and a good part of October. We had many witnesses appear before us.

There are several recommendations in the report as well as a great number of concerns that the committee members have included. The key recommendation is that the province's contribution should not exceed the \$30-million figure originally announced by the then Premier, William Davis. As well, concerns are expressed in the report by all members of the committee as to the exclusivity of the funding arrangements by the public sector consortium. The committee is urging that the private financing package be opened up to more sources of private sector funding.

In view of the very urgent business I believe is going to be before this Legislature this afternoon, I would move the adjournment of this debate.

On motion by Mr. Harris, the debate was adjourned.

MOTION

COMMITTEE SITTING

Hon. Mr. Nixon moved that the standing committee on administration of justice be author-

ized to meet today following routine proceedings.

Motion agreed to.

3:40 p.m.

INTRODUCTION OF BILLS

RESIDENTIAL TENANCIES AMENDMENT ACT

Hon. Mr. Curling moved, seconded by Ms. E. J. Smith, first reading of Bill 77, An Act to amend certain acts respecting Residential Tenancies.

Motion agreed to.

RESIDENTIAL RENT REGULATION ACT

Hon. Mr. Curling moved, seconded by Ms. E. J. Smith, first reading of Bill 78, An Act to provide for the Regulation of Rents Charged for Rental Units in Residential Complexes.

Motion agreed to.

MUNICIPAL AMENDMENT ACT

Hon. Mr. Grandmaître moved, seconded by Hon. Mr. Kerrio, first reading of Bill 79, An Act to amend the Municipal Act.

Motion agreed to.

Hon. Mr. Grandmaître: This legislation will clear the way for municipalities to provide assistance to business incubator facilities, either through the government's community small business centres program or other programs that receive cabinet approval.

Municipalities will now be able to encourage and assist the initial growth of small businesses by providing startup funds to community small business incubator centres, acquiring land and buildings as premises for these businesses, entering into leases with nonprofit corporations and new small businesses at less than market value, and offering counselling services to local small businesses. This is intended to help these enterprises emerge as profitable ventures and create many new jobs throughout the province.

The legislation will also clarify what constitutes a bonus under section 112 of the Municipal Act by spelling out specific types of assistance which councils may not give to businesses. This clarification will be helpful to municipal councils in determining whether their proposed actions to encourage economic development are permitted under the Municipal Act.

PLANNING AMENDMENT ACT

Hon. Mr. Grandmaître moved, seconded by Hon. Mr. Van Horne, first reading of Bill 80, An Act to amend the Planning Act, 1983.

Motion agreed to.

Hon. Mr. Grandmaître: I would like to introduce an amendment to the Planning Act, 1983. The change I am proposing will allow amendments to be considered to joint official plans in southern Ontario continued by minister's order.

By way of background, when the new Planning Act came into effect in August 1983 it provided for all joint planning areas in southern Ontario to be disbanded. The existing joint official plans for these joint planning areas, which are made up of two or more municipalities, were continued in force for two years until August 1, 1985. At that time the plans ceased to exist unless they were allocated to the affected municipalities or continued in force by order of the minister.

It was expected that all plans could be allocated within the two-year period. Therefore, no provision was made for amendments to those plans beyond that time. However, what has actually happened is that many more municipalities than originally anticipated have chosen to do complete reviews of their land use planning policies rather than simply to assume their parts of the joint plan. As a result, on August 1, 1985, 29 joint plans covering 82 municipalities were continued in force.

Amendments to these plans are inevitable as appropriate development proposals are made to the municipalities. In fact, 33 amendments to these continued plans have already been adopted by municipal councils and submitted to the Minister of Municipal Affairs for approval.

Unfortunately, as the act now stands there is no clear provision for dealing with these amendments. The amendment to the Planning Act that I am now proposing is urgently required to allow for such amendments to the continued joint plans. The Planning Act amendment will be retroactive to August 1, 1985, in order to permit the appropriate consideration of the amendments that have already been submitted.

Mr. Speaker: Perhaps I could remind the minister for any future occasions that if there is a lengthy explanation it is usually given during ministerial statements.

Hon. Mr. Nixon: Mr. Speaker, just before I call the notice of no-confidence motion 1, I would inform you that the three parties have agreed that the time available would be evenly divided among the parties and that we expect the motion to be called at 5:50 p.m.

ORDERS OF THE DAY

DE HAVILLAND AIRCRAFT OF CANADA

Mr. Grossman moved, seconded by Mr. Harris, no-confidence motion 1 under standing order 63(a):

That this House condemns the government of Ontario for its incompetence, specifically its failure to discharge its duty to protect the overall interests of the people of Ontario, the Canadian aerospace industry and the employees of de Havilland Aircraft of Canada Ltd., its failure to apprise itself fully of all relevant details of the sale of de Havilland to the Boeing Corp. and its failure to make any adequate representations whatsoever on behalf of those Ontario and Canadian interests, and therefore, for these reasons this government lacks the confidence of this House.

3:50 p.m.

Mr. Grossman: I particularly wanted to read that with some care so our friends sitting to our left might listen carefully to the words we used, because we used many of the words their federal colleagues used in moving a motion of no confidence in the federal House. Their colleagues in Ottawa, of course, are prepared to put their own seats and their own jobs on the line for the de Havilland workers. We in this party are prepared to do the same, although I admit for us there is less risk—

Mr. Foulds: Only one person applauded that statement. Let that be recorded.

Mr. Grossman: The third party has only two members here interested in the debate.

As I travelled the province, and Lord knows I have had ample opportunity to do that in the last 12 months, I had an opportunity to speak to many people who are concerned about finding new jobs and new employment for this province. Whether talking to a high-school audience, a group of unionists or on an open-line program, I found that employment, economic growth and stabilization and maintenance of job technology are right at the top of the agenda.

People are interested in free trade discussion, as they should be, and they are interested in more than rhetoric on free trade discussion. They are intrigued and interested in things such as the announcement of a new auto plant in the great community of Cambridge, so well represented in this assembly by our colleague. The people of this province—

Mr. Harris: The lobbying of the member for Cambridge (Mr. Barlow) paid off.

Mr. Epp: Great job the Minister of Industry, Trade and Technology (Mr. O'Neil) and the Premier (Mr. Peterson) did.

Mr. Grossman: I will convey that to Premier Davis. For years the homework on the Toyota deal was done by him.

Mr. Epp: He is not here. He has left. We have a new Premier. The member for St. Andrew-St. Patrick may as well face it. He will learn.

Mr. Grossman: It would look good if the government once in a while acknowledged that some of the things that have happened, such as the opening of the Urban Transportation Development Corp. in Vancouver or the Toyota plant in Cambridge, had a little bit to do with the previous administration; in fact, those things would not have happened without the previous administration.

The people of this province are interested in those developments, as they were intrigued by the budget the Treasurer (Mr. Nixon) brought down a short time ago. I suppose they were intrigued more because it took \$700 million out of their pockets than because of any job creation programs. The Treasurer said to the public with a shrug: "Job creation programs? Just wait until next May when there is an election coming. We do not have them for you now."

There is an absence of job creation measures in the budget. The odd measure of good fortune comes to this province, mostly because of the hard work done by the previous administration. Then we get the matters that require not good cosmetics, not pretty speeches, not posturing in front of national TV cameras, but actual day-to-day competence in administration within the government of Ontario. The people are wondering what the government of Ontario—save us from the Minister of Industry, Trade and Technology—did to protect the jobs at de Havilland.

One may wonder where the member for Downsview (Mr. Cordiano) was during all these activities. One may wonder what our good friend Odoardo Di Santo is thinking today, wherever he has gone to be rewarded by the Grits, as he listens to his former colleagues who say to him: "So long, Odoardo. We would like to have you back, but we are not prepared to risk our own seats to fight for your former constituents."

Candidly, we have always been fond of Odoardo in this party. We are seeking candidates of his calibre. If he should see the light and join the one party in Ontario that is prepared to fight for the people in Downsview, his former constituents, we will welcome him.

I should like to spend a modest 34 or 35 minutes talking about the activities and answers given by the current government on the de Havilland débâcle. I was in the House, and with some astonishment heard the Minister of Industry, Trade and Technology say that the announcement came as a surprise; they did not quite know it was coming. One wonders how he could make that statement. The federal government indicated its intention to review its crown corporations more than a year ago, and indeed, a year ago it was no secret to the then opposition that de Havilland might be sold. Fortunately, I just happen to have with me a Hansard from November 2, 1984.

Mr. Foulds: Guess who asked the question?

Mr. Grossman: Yes, I will read it. Remember when Jim Foulds used to be worried about the workers? Remember that?

The Deputy Speaker: Might I ask the Leader of the Opposition to address the chair. That way the interjections probably will not bother him.

Mr. Grossman: I think you are wrong, but I will try.

The member for Port Arthur (Mr. Foulds) asked this question of the then Treasurer: "Now that the federal government has put de Havilland on its hit list and auction block"—

Mr. Foulds: Right.

Mr. Grossman: He should have told the new government about that, since they did not know it until it was sold.

He said: "Now that the federal government has put de Havilland on its hit list and auction block, will the Treasurer...take it upon himself to keep de Havilland in the public domain to maintain jobs?"

It would have been terrific if they had thought to ask this question in the last month or two of the new government here in Ontario.

Mr. Rae: We did.

Mr. Grossman: We will get to that.

The answer by the then government, which was concerned about these jobs, was clear: the issue of de Havilland had been raised many times with the government of Canada and many ministers had spoken to the Prime Minister about it.

The member for Brant-Oxford-Norfolk (Mr. Nixon) was on his feet. Even he knew de Havilland was about to be sold and he asked us what we would do to make sure we were ready for that eventuality. Indeed, the member asked us to establish some sort of cabinet committee to

protect Ontario from the fulfilment, as he put it, of those threats to sell de Havilland.

It is interesting that when the current Treasurer, who clearly is running the auction sale of the Ontario Institute for Studies in Education and the Urban Transportation Development Corp., got into government he forgot to hand out instructions to strike a cabinet committee to work on de Havilland.

Mr. Haggerty: What about the Leader of the Opposition's 1984 budget? They were on the auction block then.

Mr. Grossman: Yes, but the Minister for Industry, Trade and Technology did not know it until last week. The member for Erie should have told the minister.

Even earlier, on May 15 of last year, the former member for Lake Nipigon was showing the kind of commitment and dedication formerly shown by the New Democratic Party when it did not have anything to risk on issues of this kind when he raised the matter of de Havilland, asking again what we were going to do to protect those jobs. However, the current Premier and the current Minister of Industry, Trade and Technology did not know about the sale of de Havilland until just recently, apparently.

Mr. Epp: It did not occur until a few weeks ago. That is when they found out it had actually been sold.

Mr. Grossman: That is right. Who said that? Get that on the record. The member for Waterloo North admits that the government did not know about it until a few weeks ago.

Mr. Epp: That it was actually sold.

Mr. Grossman: I want to refer him to the newspapers, a source of information. It says here in the Toronto Star on August 1, "Two US Firms May Vie for de Havilland and Canadair." The Star even knew it was Boeing.

What was the Minister of Industry, Trade and Technology doing on August 1? I have his list of what he was doing on de Havilland right here before me. Let us see. He was doing something on August 1. Let us hear it for the minister.

[Applause]

Mr. Grossman: He met with the Honourable Sinclair Stevens, Minister of Regional Industrial Expansion. What did the minister do after August 1, after this newspaper article? Let us have a look. It must be here somewhere.

Mr. Gillies: Very little.

Mr. Grossman: Just wait a minute; it must be here somewhere. I know it was here somewhere.

Here it is. The day de Havilland was sold he had a meeting with Robert de Cotret, the federal minister. Is that not something? It is interesting that the minister responsible for protecting Ontario's interests did nothing on it for three or four months, when that very same article in the Toronto Star warned him that letters of intent to purchase de Havilland "might be coming in two to four weeks after August 1."

4 p.m.

One might have thought the government would have been a little more interested after that article appeared in the newspaper than to have the Minister of Industry, Trade and Technology do nothing until the announcement was out that the chickens had flown the coop.

Mr. Ferraro: One might have thought Brian Mulroney would have done something.

Mr. Grossman: The member should be careful or I shall call the Guelph Mercury again. He will get angry. I know only the Premier is supposed to talk to the media.

Mr. Ferraro: The way the member performs he should go ahead. He needs all the help he can get.

Mr. Grossman: I understand we are not supposed to go into the member's riding.

Mr. Stevenson: We will have lunch with Norm Jary.

The Deputy Speaker: Order.

Mr. Grossman: We want to get on to some later events. The minister was busy during those months. On November 2, again in the Toronto Star, a newspaper I am told members opposite read once in a while—Oh, no, wait. Before I get to the Star, I want to talk about one other thing.

I have here a letter written by the Premier. He expresses his very great concern to the Prime Minister of Canada with regard to de Havilland. This is the famous letter that sets out four things the Premier wanted to see guaranteed on the sale of de Havilland but about which he did not care a twit when it came to selling the Urban Transportation Development Corp. We shall get to that on another no-confidence motion one day.

I want to talk about the degree to which the Premier raised this very important matter with the Prime Minister. On this shallow list of activity of the Ontario government, it says that after he read in the newspapers that de Havilland might be sold, there was a dinner meeting between the Premier and Prime Minister Mulroney on August 9. When I read about that, I was sure the Premier had raised important matters; that de Havilland, having been on the auction

block and being about to be sold, would have dominated the discussion. One would have thought that; or perhaps he was asking advice on how to conduct a garage sale of UTDC.

What do members think they discussed over dinner? We do not know. Did they discuss de Havilland? Let me read the letter from the Premier to Mulroney. It says, "Of course, in the time we had, we were unable to deal fully with a number of important matters." I suspect the Premier might have been talking about the QC list, or he was occupied discussing beer and wine in the grocery stores, or maybe he was discussing his trip to Hollywood. Maybe he had urgent matters. He wanted to know what the Prime Minister knew about Hollywood.

Let us see what he said about de Havilland.

Mr. Epp: The member is still upset about losing his QC. He really got to the member, did he not?

Mr. Grossman: Oh, yes, he really—

Mr. Epp: He really got to the member. He lost his QC and he cannot take it.

Mr. Grossman: He may have taken away my QC, but he took away the member's cabinet spot. To be honest, he deserved a cabinet position more than I deserved a QC.

Mr. Gillies: Where is the limo for the member for Essex South (Mr. Mancini)?

Mr. Grossman: I did not say that about the member for Essex South.

The Deputy Speaker: Order.

Mr. Grossman: I want to get back to this famous letter in which the Premier really stood up for de Havilland. At that dinner meeting he was there pounding the table of the Prime Minister saying, "There is no way you are going to sell de Havilland and not protect the jobs in Ontario." What did he say in this letter? He said, "One of those items which we were unable to deal fully with, one which we touched on briefly, was the bidding for de Havilland Aircraft." They were talking about the trip to Hollywood, beer and wine in the grocery stores and QCs, but at no time—

Mr. Ashe: Hollywood again.

Mr. Grossman: Probably Hollywood again. That is right. However, there was no time to discuss de Havilland. Let us go back to the Toronto Star of November 2. It says, "Sale of de Havilland Aircraft to Boeing Expected Next Week." I know the Treasurer is cutting back, but he should get the Minister of Industry, Trade and Technology a subscription to the Toronto Star;

then he would have known. Perhaps from November 2 to November 29, the Minister of Industry, Trade and Technology might have done something, anything, to protect jobs in Ontario.

Ms. Fish: Do not count on it.

Mr. Grossman: It is probably better that he did not.

On November 25 the *Globe and Mail* still knew about this ahead of the Minister of Industry, Trade and Technology. On that date the *Globe and Mail* speculated about what it referred to as the imminent sale of de Havilland to Boeing.

Let us go back to the list of the Minister of Industry, Trade and Technology. Did he do anything after the *Globe and Mail* had it bang-on that it was going to be sold to Boeing? November 25, nothing; November 26, nothing; November 27, nothing; and November 28, nothing. On November 29 the minister, for the first time since August 1, got on the telephone and spoke to someone about de Havilland.

The matter came up in this House that same afternoon. It was raised by the member for York South (Mr. Rae); we must admit he raised it. I know he probably raised it because he was embarrassed about headlines such as, "NDP Vows to Block Sale of de Havilland." Boy, when I read that headline in the *Toronto Sun*, I knew the New Democratic Party in Ontario was willing to block the sale of de Havilland at any price.

Mr. Gillies: That means Ed Broadbent.

Mr. Grossman: Wait a minute. It says Broadbent. Things have changed, have they not? In any event, the member for York South, hoping and praying we would not move a no-confidence motion, asked the Premier whether he and his government had considered any other options beyond a sale to Boeing.

The answer—we will loosely describe it as an answer—was that the Premier had written to the Prime Minister once and had spoken to him once. Let us hear it for the Premier; he wrote to him once and spoke to him once. The Premier said, "I am not sure of the details of each." This was in reference to the two or three bids the Premier said he had heard something about.

Mr. Gillies: Who wrote those letters?

Mr. Grossman: Hershell wrote them.

The problem is that, even working forward from November 25, the government incredibly is still not aware of the details. Aside from a meeting or two and a couple of telephone calls, they had not done very much to get themselves

involved or informed until the two opposition party leaders demanded an opportunity to be briefed by the federal government. It was quite evident from the day we were briefed that it was also the first time the Minister of Industry, Trade and Technology was briefed.

I will look at the chronology of events. It is again the self-serving evidence put forward by the Minister of Industry, Trade and Technology. One would hardly call this a substantial or weighty volume of activity, given that the present Treasurer spoke a year ago about the sale of de Havilland and the press has been writing about it all year.

4:10 p.m.

There are no telephone calls listed to anyone in Ottawa after the November 2 article that referred specifically to this sale. There are no telephone calls from the government of Ontario to Ottawa. Let us look at the chronology. The last time the Minister of Industry, Trade and Technology found time to devote to de Havilland, which was, as members will remember, on August 1—

Interjection.

Mr. Grossman: That is right. There was the famous dinner meeting where, just as they were having dessert, the Premier mentioned it and then wrote a letter.

In September there were meetings with Ministry of Industry, Trade and Technology staff, two or three of them. In the entire month of October, what do members think occurred in the Ministry of Industry, Trade and Technology?

Mr. Ashe: Zip.

Mr. Grossman: No, there was something. They received a letter from J. Dornier. That was for November.

Mr. Eves: Did they respond to it?

Mr. Grossman: In November they opened it. They received a letter in October. That was October's activity.

In November they had a meeting with the people who wrote the letter. Some 30 days after the letter was received, they had a meeting with the people who wrote the letter. Then on November 20 they got a letter from the federal government to the Premier of Ontario.

There were no phone calls from the government of Ontario to Ottawa. There were no letters written by the government of Ontario to the government in Ottawa. There was nothing. Not even a phone call to the *Guelph Mercury*, I would say. Nothing. Zero.

Mr. Ferraro: The lines were busy.

Mr. Grossman: They are going to be.

The Premier never raised any concern about the sale of de Havilland anywhere in this province or in California until he read about it in the newspapers and was questioned about it in this House. Once the deal was announced, the Premier and his ministers kept coming to this House day after day, telling us they could not really be very helpful because they did not have any of the details. They had not been properly informed.

I would pose this question to the Premier and his colleagues. Indeed, it is a question posed in this House by the leader of the New Democratic Party a few days ago. The question is, why does the Premier not take a position today? Why not indicate that position firmly in this House and indicate what it is? Is the sale of de Havilland to a multinational such as Boeing acceptable to the government of Ontario or not?

I see the member for Downsview has been kind enough to join us this afternoon. I know he will have been fighting with some vigour in his caucus to get the Minister of Industry, Trade and Technology to do anything in this matter or for the government to take a position, as was requested on December 5 by the member for York South.

If the member for Downsview wants to speak his mind and tell us what he thinks, I can say as a member who once sat in the same row in which he is sitting, in a seat farther removed from the Premier's seat than his, as a member who had been elected for only six months, as is the member for Downsview, it is the right thing, the acceptable thing, the honourable thing to do to stand up and fight for one's constituents even in the face of a decision made by one's own party. Have the courage to stand up.

Mr. Cordiano: That is what you are forgetting. You did not make that decision. Talk to Hughie.

Mr. Grossman: Perhaps he got a call from Don Smith. I understand the pressures he is under, but he should not take that. He should stand up for his constituents as the NDP member, Odoardo Di Santo, once did, and as our next member for Downsview certainly will.

Come the next election, we are going to be campaigning in Downsview, and it will be unacceptable for the current member to be saying, as the Premier did: "We could not do anything. We did not have any information."

My question to the member and the voters of Downsview is very simple. Did that lack of information prevent the Premier from writing

another Dear Prime Minister letter? Did it prevent him from travelling to Ottawa to ask for the details? Did the lack of information prevent the Minister of Industry, Trade and Technology from travelling to Ottawa to get the information, to ask for a sharing on a confidential basis of the offers the government might have received or the negotiations that were going on? Did anything prevent the Premier from coming back from Hollywood and standing up in front of the Conference Board of Canada, where he offered to sell more crown corporations, and saying, "Here are our concerns about the de Havilland sale"? Nothing prevented him from doing that. All he needed to do was read the *Globe and Mail*.

Mr. Cordiano: Do you mean to tell me that Hughie Segal did not tell him they wanted to sell it to Boeing right from the very beginning?

Mr. Grossman: Everyone knew but the Premier and the Ministry of Industry, Trade and Technology. The minister's federal counterpart, Robert Kaplan, knew, but the minister did not know.

Mr. Timbrell: Is the member on the Speaker's list for this debate?

Mr. Cordiano: I have already spoken.

The Deputy Speaker: Order.

Mr. Grossman: Not in this debate. The member's party will have 40 minutes and he can stand up and stake out his firm and independent ground on behalf of the people of Downsview. I know he will do it.

Mr. Timbrell: If he cares about them at all.

Mr. Cordiano: I did not wait until today. I have spoken already.

Mr. Grossman: We on this side of the House remember well when the Premier scored some political points saying that the former Premier, the member for Muskoka (Mr. F. S. Miller), did not count for much in Ottawa. Unfair as it was, the current Premier said it time and again. He also was fond of saying that on a wide range of issues he would stand up for Ontario. Indeed, I even recall him saying—can one believe this?—that if he became Premier of this province he would be down in Ottawa the next morning seeking a meeting with the Prime Minister of Canada to offer Ontario's views on a number of matters. That is what he said.

He is now the Premier of Ontario. He has managed to go to Hollywood to visit the stars. He has been to Vancouver to take credit for a transit system he opposed for years and is now trying to dump at a garage sale. He has even managed to find the time to attend quite a few cocktail parties

where the privileged few can write a cheque and then, and only then, can whisper sweet nothings in the ear of the Premier.

Interjections.

Mr. Grossman: Obviously, he is overdosing on sweet nothings.

What he and his own beleaguered Minister of Industry, Trade and Technology have not found the time to do is travel for one hour to Ottawa to talk to the Prime Minister, to Mr. Stevens, Mr. de Cotret or anyone else about de Havilland.

With respect, it is not good enough to say to the workers at de Havilland in Downsview: "I am sorry. We did not have the information. We did not try. We were busy writing the statement on QCs. We were busy in Hollywood. We did not have the time to go and ask for the information." May I remind the member for Downsview that this statement, prepared by the Minister of Industry, Trade and Technology, is the indictment. It does not only show that he did not have the information, but it shows that he did not ask for it, that nothing was done. Talk about asleep at the switch; it is more like a coma.

What we have here is a government that does not even know where the buttons are on the telephone, let alone being asleep at the switch. There is no question this government can find the government aircraft when it wants to get to a LEAF function in Windsor or a tribute to the Premier in London, but it could not even manage a phone call to Ottawa. It would not even bother with a meeting with anyone to express its concerns about Ontario's jobs.

The Premier's own principal secretary, the infamous Hershell Ezrin, summed it all up in one quote, which can be found in the *Globe and Mail* on October 19. We will send it out to the residents of Downsview. When asked about the federal-provincial arrangement on the sale of de Havilland, Mr. Ezrin replied simply, "I do not know." The Premier's office did not know then. It did not know as much as the *Globe and Mail* knew and it has not bothered to find out since.

While the de Havilland matter itself is serious, what is even more disturbing is the pattern of "we do not know" and the attitude that they do not seem to care. That is what has happened on every item we have raised in this House with this government with regard to the loss of Ontario jobs at Hyundai, Petro-Canada, American Motors Corp. and others.

Every time we have asked the Minister of Industry, Trade and Technology, the answer has been, "We do not know." There have been no statements of concern, no meetings, no efforts to

keep jobs in Ontario. There has been only a series of lame, apologetic answers from the minister offering excuses and the famous, "You had 42 years to do something about it." That may wash for a few more weeks while the honeymoon is still on, but I say to the six members of the Liberal Party who have chosen to stay and listen to this debate on de Havilland—

4:20 p.m.

Mr. Leluk: No ministers.

Mr. Harris: None of them ministers.

Mr. Grossman: No. There is one. The jury is out, but I think there is one.

The people are slowly beginning to realize, whether they like it or not, that the Liberals are good at press releases and at posturing, but they have a responsibility for leadership. Leadership is not standing up in the House and blaming the former government for everything, including the weather. The public of Ontario is going to want to know what the government has done when it comes to events that arose months after it took office. They will want to know why the government did not ask for the information. The question is not only why they did not have it, but also why they did not ask for it.

We are delighted about Toyota, but let us take a look at the way the government handled that, contrasted with its handling of de Havilland. I am sure any account of the government's dealing on Toyota would stretch far beyond the three flimsy pages we were given on de Havilland. I am not being critical of that for a moment; that is the way it should have been done. They inherited a strong situation and a strong potential investment in Ontario and they worked at it—

Mr. Epp: What did we inherit on de Havilland? Tell us what we inherited.

Mr. Grossman: We on this side acknowledge that the government worked on the Toyota deal and helped deliver what we started, but on de Havilland, there were no phone calls, no letters, no speeches, nothing; it was asleep at the switch.

Mr. Epp: The Leader of the Opposition cannot have it both ways.

Mr. Grossman: Let us talk about both ways. The government committed \$30 million to the Toyota project. What about de Havilland? Were they standing up and saying: "Here is a government loan. Here is a \$30-million grant if someone will come forward. Let us hear from Canadian firms. Here is the offer"?

Mr. Cordiano: Where was the Leader of the Opposition when they asked for all these things?

Mr. Grossman: The Minister of Industry, Trade and Technology made that accusation, but he has not produced a twit of evidence—to use an appropriate word—to back up that unsubstantiated claim. I repeat the challenge today. I invite the minister, if he shows up in this House again, to produce the evidence that shows we were unwilling to help a potential Canadian purchaser. Every time we have asked him, the evidence has turned up to the contrary.

The member should ask the minister. If he will table it in this House, as he tabled this marvellous document, then he will have substantiated that claim. The member should call the company, which will tell him it was delighted with the assistance it got from this government when we were there. They were quite satisfied that we offered to help.

It would have been good if the government had been aggressive, standing up and saying that we in Ontario want Canadian purchasers and are willing to help. The leader of the federal New Democratic Party, speaking to his own no-confidence motion, said, "The third option which could have been considered was more rigorous pursuit of a private Canadian owner." That is what Ed Broadbent said. The bottom line—

Mr. Epp: Ask Hugh Segal and his company how they happened to get a Canadian owner.

Mr. Grossman: If the member for Waterloo North were to read the newspapers he would find that the Premier was dead wrong. He has had a letter from Mr. Segal's lawyer. The Premier was proven once again to have resorted to unsubstantiated, legally wrong, innuendo rather than answering questions; the old Trudeau tactic.

The bottom line of the challenge Mr. Broadbent put out is that this government is too weak, too asleep, too naïve and simply too incompetent to go out and properly represent the interests of the people in this province. They will not do it.

The Liberal members here can take back a message to the Premier, the Treasurer, the Minister of Industry, Trade and Technology and the Minister of Transportation and Communications (Mr. Fulton), none of whom thought this debate was important enough to stay in the House for this afternoon. Tell them it is not good enough to say they do not know. Tell them it is not good enough to say they wrote one letter. Tell them it is not good enough to say the federal government will not meet with them. Tell them it is not good enough to wait around for the Royal Canadian Mounted Police courier. Tell them it is not good enough to say it is not their responsibility. Tell

them the people of this province expect this government to fight for their interests, not to wait for the courier to arrive. The workers at de Havilland do not think it is good enough to say, "Nobody told us," or that it was out of the government's hands.

Let me say to this House and to my friends to the left, the New Democratic Party used to be a great deal more enthusiastic and far more vocal in telling us, when we were in government, those excuses were not good enough. If they believed they were not good enough then, they should stand up and be counted this afternoon.

When we were over there, when they were not worried about losing their ridings, they would not have hesitated to introduce a motion of no confidence in an instance where something was handled as absolutely poorly as the sale of de Havilland has been handled by the Ontario government. The NDP would have told us the government had an important role to play in a series of events such as this. They would have condemned the lack of action and knowledge.

Interjections.

Mr. Grossman: What do we have today? The members should tell the United Auto Workers workers in Oshawa—

Mr. Breaugh: Even the member for St. Andrew-St. Patrick is wearing a red tie.

Mr. Grossman: First we are taking their ties, and then we are taking their offices.

Before I conclude, let me predict what the rest of the afternoon holds. It holds some of the same players sitting in some of the same seats on the NDP benches, saying in advance, as they did last week, that it is an emergency debate item, but not one on which to vote against the government; they will vote with it. They will say yes, the Progressive Conservatives are to blame for this. They will accuse the Conservatives of being hypocrites. They will say we are arrogant. They will try to lay all of this at our doorstep because the federal government is Progressive Conservative.

That may allow this government to survive the afternoon, with the help of the formerly tough, union-oriented, worker-oriented NDP; but UAW members in Oshawa, in Thunder Bay, at UTDC and de Havilland know there is one party in this House that has fought from day one, that has worked on this matter and put their interests ahead of the party's.

The record of this government is one that deserves criticism and censure; that is why we have brought forward this motion. We want to determine in this House who really believes there

are no matters in this province—not protecting one's riding or one's accord—more important than the protection and maintenance of jobs, research and development and technology in Ontario.

4:30 p.m.

There are always excuses and explanations, but ultimately one has to stand up and be counted. I say to the New Democratic Party, to Odoardo Di Santo's former friends and the member for Downsview, 51 members of the Progressive Conservative Party are prepared to stand up and be counted and say this government has been incompetent and asleep at the switch.

No member of this House should stand up and support the inaction of this asleep government of Ontario. Stand up and be counted; vote for this motion. Let the workers know we care more about their jobs than avoiding an election.

Mr. Foulds: I rise to speak on one of the strangest no-confidence motions I have seen in this Legislature in the past 15 years. First, let us give it its due. It deals with an important and serious subject: the selling off of a crown corporation and the sellout of one of Canada's major industries. It also deals with failure and incompetence.

Unfortunately, even the most elementary school child with a preliminary knowledge of civics in Canada would understand that it deals with a subject that is primarily a federal responsibility, at which level the New Democratic Party federal leader, Ed Broadbent, has fought so hard. What and who is the federal government these days? Surprise, the federal government is Conservative.

A Conservative government is trying to sell off de Havilland to Boeing. Interestingly enough, never once in the past 40 minutes did I hear the previous speaker say he was opposed to the Boeing deal. The federal Conservatives would have the public invest dearly and sell cheaply, as would the Ontario Conservatives.

I recall one or two simple matters of historical record. Every time the Conservatives get into office federally they try to cripple the Canadian aerospace industry. In 1979, Sinclair Stevens announced his intention to sell off de Havilland. Fortunately, thanks to my colleague, now the leader of the Ontario New Democratic Party and the member for York South, the federal Conservatives did not stay in office long enough in 1979 to sell off de Havilland.

Previously, under John Diefenbaker, the Tories successfully killed the Avro Arrow project. That set back the Canadian aerospace

industry a number of decades. Last fall, when Sinclair Stevens made his plans public about selling de Havilland, we in the New Democratic Party asked the Ontario Tories what they were going to do about it. I raised the question with the then Treasurer, the current Leader of the Opposition (Mr. Grossman).

The Leader of the Opposition did not quote his answer in Hansard of November 2, 1984, one which he does not deny now and did not deny then. The then Treasurer and now the current Leader of the Opposition said: "It is their view"—the view of ministers of the federal government—"that it is appropriate to look and see if a private sector option is available. That is one I do not think we"—the provincial government—"can quarrel with so long as we ensure the economic viability is the guiding light."

What do we have here? We have an exercise in childishness, frivolity and hypocrisy. We have a very serious matter being dealt with frivolously because the Conservative Party of Ontario does not seriously believe the people of Ontario want an election on January 30, and it does not believe they are willing to go to an election on January 30. This is a bit of game playing, the likes of which we have not seen in a very long time.

There are weaknesses in the current government's position, provincially. If this no-confidence motion were addressed to the federal government, I would have no problem supporting it, as my colleague Ed Broadbent at the federal level had no problem supporting it. If this provincial government were to go on record at its convention—if it ever discusses matters of substance at its conventions—and move a motion of no confidence in its federal counterpart, I am sure that would have the support of the people of Ontario. What this government is doing is not taking the right target.

I will not be supporting this motion of no confidence because it is a frivolous one; unfortunately, it is over a serious subject.

As I have indicated, there has been a failure on the part of the provincial government. It has not stood up strongly enough, spoken loudly enough and worked actively enough to undercut the sale of de Havilland and the selloff of a Canadian asset. That is true. It has not done its job with respect to negotiation, being tough with and contacting the federal government. That failure pales in comparison with the failure of the Conservative federal government, because what is happening is that it has committed what I would call a sin of commission. This government

has committed a venial sin of omission by failing to take action.

The federal attempt is a giveaway, and I think it is very serious because it deals with an industry that is at the cutting edge, has developed a new technology and by all reports is viable.

I will not take all the time to speak. Unlike the other party, we believe in sharing an opportunity to speak on these important matters. However, my other colleagues will document and indicate the areas in which this aerospace industry at de Havilland has been an investment for the future on the part of the people of Ontario, and now that we are in a good position, having invested extensively, there is a selloff that is cheap and should not happen.

In conclusion, I simply want to say that while there has been failure and inaction on the part of the provincial government, there has been a far more colossal failure on the part of the federal government because of its ideological stupidity and mindset in insisting it will sell off this company that should not be sold off. The federal government is selling off a company that has made its name internationally and it is not taking the steps to protect the jobs it should be protecting.

Such a motion, if it were placed and passed in the federal House, would receive not only my party's support but also that of the people of Canada and Ontario. In this House, I want to say frankly, a pox on both your houses.

Mr. Epp: I am pleased to have the opportunity to address the House today on behalf of the government on this very important issue and, I think, a very important motion. At the outset, I must say it is with some degree of incredulity that I find myself addressing this motion of no confidence tabled by the official opposition. I say that having witnessed and carefully reviewed the previous government's less than sterling record of performance on the matter now before us.

Likewise, I say that after witnessing recent events in the past months preceding the sale of de Havilland; events that have seen the Premier and the Minister of Industry, Trade and Technology continue to present Ontario's concerns to the federal government in a most forthright and vigorous fashion.

4:40 p.m.

While some of the points I intend to make have already been mentioned during the previous debate on this issue, a number of them warrant repeating today. It goes without saying that Ontario has a vital interest in de Havilland. The firm employs more than 4,100 workers at the

Downsview facility and continues to be a major player in the Canadian high-tech aerospace industry. For this reason I find the present no-confidence initiative on the part of the official opposition to be most puzzling.

I want to elaborate on that. I suggest they have the wrong venue and that they really should change the venue from Toronto to Ottawa. It is quite obvious why they have done this, why they have brought it here rather than down there: they do not want to embarrass their brethren down there.

The previous government was called upon by de Havilland for direct financial assistance in 1981. That was the government of which the Leader of the Opposition was Treasurer. It asked for financial assistance for certain capital projects: to implement computer-aided design and manufacturing hardware and software for new aircraft development and concessional financing to strengthen domestic sales and to meet competition from Brazil and France. That government, now the official opposition, took absolutely no action.

While I am speaking, it is nice to note that on this very important issue, which the official opposition has raised and which I consider to be important in some respects, only four members are supporting the leader in the House at this moment, a very sterling record of support for the Leader of the Opposition.

Further, as recently as March 1985 the former government was approached by a Canadian consortium requesting provincial involvement in the potential purchase of de Havilland and the former government chose not to participate, not to give any assistance to that consortium.

These points of interest have all been tabled by my colleague the Minister of Industry, Trade and Technology. They have all been highlighted for the record. However, they have apparently failed to register with the members opposite, or they have been conveniently forgotten for reasons they know best. I doubt we would find ourselves here today addressing this motion if those same members across the floor were to take a lesson from their own previous style of leadership on this issue.

Similarly, their insistence on laying responsibility for the final terms of sale and for the sale itself at the feet of this government remains somewhat baffling. The House need not be reminded that de Havilland remains solely the property of the federal government. It is theirs to sell.

I have already outlined what the previous Tory government in Ontario did to prevent the sale to Boeing. That being said, the decision was made without provincial consultation, despite federal assurance that such consultation would occur. Both the Premier and the minister took the federal government at its word that it would disclose those details to them before any public announcement. This the federal government did not do.

Despite this lack of federal consultation, we have witnessed repeated and persistent actions by the Premier, the Minister of Industry, Trade and Technology and their respective staffs to try to protect the best interests of this province ever since they assumed these responsibilities on June 26 of this year.

We are all familiar with the Premier's letter of August 16, 1985, in which he advised Ottawa to consider Ontario's interests carefully in the sale of de Havilland, interests that included retaining Canadian control, maintaining an airframe manufacturer in Ontario, preserving and enhancing employment levels and increasing the level of research and development.

When the province became aware and concerned that Canadian-owned firms were not being given a complete hearing in Ottawa, this government intervened on behalf of Rimgate Holdings Ltd., the only Canadian-based bidder for de Havilland, to ensure it received a full hearing by Canada Development Investment Corp. president and chief executive officer Paul Marshall. In this regard the Minister of Industry, Trade and Technology made direct representation to the Honourable Sinclair Stevens to make sure Rimgate received full consideration.

On this same issue I would like to remind the members of a comment made by my colleague the member for Essex South during our previous debate on de Havilland. The member made reference to a news article in which a senior Rimgate official described the reception Rimgate received from the federal government.

The member suggested: "Initially, the people in Ottawa treated them with some tolerance. Later on, they treated them as if they were an irritant." That is the attitude the federal government showed to a Canadian-based company that wanted to purchase de Havilland and keep it in Canadian-owned hands.

This overall lack of consultation by the federal government, to which I referred earlier, appears to have been a consistent theme throughout the entire handling of this sale by the government of Canada. The Minister of Industry, Trade and

Technology has already indicated that upon hearing rumours that certain information would be announced by the federal government on Monday, December 2, 1985, the minister took the initiative himself and requested a meeting with his federal counterpart.

The minister has likewise suggested that had it not been for his action at the Premiers' conference on Friday, November 29 of this year, they likely would not have been party to any further details on the following Monday.

The concerns of this government have already been reiterated on numerous occasions. Both the loss of Canadian ownership and the final selling price will continue to call into question federal competence in the handling of this sale given the sizeable investment of tax dollars in the firm to date.

The lack of firm job guarantees is likewise a matter of concern to this government, a matter which was specifically addressed by this government prior to the sale but unfortunately one which was not accommodated in the final terms of the sale.

Finally, I might suggest that the official opposition's energies would have been more fruitfully spent had it directed its criticisms and concerns directly at the feet of its counterparts in Ottawa. If they had done so with even half the tenacity and fortitude displayed by this government's representatives, this province would most surely have applauded their efforts.

In any event, this government will continue to closely monitor the progress of this deal to ensure the various employment, research and development, and sales commitments are maintained.

In summary, I want to say it is important for the Leader of the Opposition to rethink and refresh himself on the meaning of a motion of no confidence. If there is a lack of confidence in this matter, it surely should be directed at the federal Tories. It is a rather large measure of hypocrisy that the opposition should be trying to deflect criticism of its own party, both in Ottawa and right here at home at Queen's Park, given its own failure to act while in government.

As we all know, this motion amounts to nothing more than a sorry attempt to point a finger at the government in an attempt to cover up the failings of the Conservatives. Everyone in the chamber and beyond this chamber knows that fact. There is an old saying, "The names have been left out to protect the innocent." In this case, the correct names have been left out to protect the guilty.

Mr. Mackenzie: I cannot resist a few words in the course of this debate. I notice the Tory benches have emptied now that their leader has made his pitch. I guess it shows how interested they are in the observations of members of this House.

I heard that frantic appeal coming from the Tories to the New Democrats to please consider the principles and please consider voting with them on an issue like this. The crocodile tears next door are really something to behold.

4:50 p.m.

I would like a privately owned aircraft industry in this country and I would like to see an extension in some of our key industries of crown participation or ownership. However, am I going to get that out of a no-confidence motion in this House? Not on your bloody life.

In Ottawa, we have a federal government that not only is responsible for the sale of de Havilland but is in the process of undermining our research facilities at Chalk River, cutting back \$100 million of the \$200-million budget over the next five years. It seems to me, if my history is correct, that it was the same Conservative Party that did the job on the Avro Arrow operation a number of years ago in this country.

It seems to me that among the Tories there is a fetish for selling out Canadian resources, Canadian research and expertise and Canadian crown corporations. It is almost a mania to invite the moneylenders into the temple to see what they can do and what they can make on the resources of this country.

I do not particularly like voting confidence in either a Conservative Party or a Liberal Party. There is no question in my mind on that. But I want to know what I am getting when I vote on such a motion. I want to know what is behind it, what the meaning is, what it is really all about. It is not very hard to see through the hypocrisy of this motion. Sure, I suppose the members have to do it as an opposition party, but for them to try to make a major case out of a no-confidence vote in this government when it is their kissing cousins in Ottawa who are responsible for what is going on, is to me little short of a laugh.

I heard the Leader of the Opposition talk about workers and how they were not going to be too happy about this. In the last number of years, and certainly in the last few months, I have not talked to very many workers who have been happy with anything the Conservatives have done over the last number of years. It seems to me their reaction to or their belief in being a little bit more progressive is to turn the member for Brantford

(Mr. Gillies) loose in the Labour estimates and tell him he can be as pink as he wants.

My golly, the other night when I heard him talking about the need to do something about severance pay for workers in plants of fewer than 50 employees, I wondered if I was correctly hearing what he was saying. This is the same member and the same party that gave us one heck of a time when we tried to move amendments in this House to reduce the qualification for severance pay to fewer than 50 workers. Who do they think they are kidding? Who do they think they are fooling? If we do get them, what are we going to get out of it?

If there was a possibility of making a change and seeing to it that we kept de Havilland and some of our other resources, I would seriously consider this motion. But what I know to be fact is that it would be sold out even quicker with a Conservative government. It probably would be sold out with an even worse deal, if that is possible, than the current de Havilland deal. As well, if it were possible that the Tories could go back in Ontario, we would get a return to the arrogant, outright contempt for the rest of the members of this House that I saw over the last four years.

I am not one who wants to go back to that. I will take my chances for a while. I will pick my own time when I am prepared to decide we have gone as far as we can go with the current government of Ontario, if indeed it does not pick its time first. I recognize the political realities of the situation.

I am not going to vote on a motion proposed by the Conservative Party without any hope of seeing a change that means anything to working people in Ontario and in this country. That is just hypocrisy of the top order. The Tories have a bit of a surprise coming if they think their current action is going to win them very much support in Ontario. They are dead wrong. I have not seen a star fall as rapidly as that of the current federal Prime Minister, Mr. Mulroney. When I look at the makeup of the Tory benches here and their approach to workers—let the member for Brantford be as pink as he wants to be in the Labour estimates—I begin to realize what happened to that once responsible and fairly great party.

Where are the so-called red Tories? I do not think there is one left in the whole doggone caucus. If they think the motion they have here is going to win them any friends or get them back in power in Ontario, they are dead wrong. It just is not going to happen.

I am saying it is a matter of credibility. The issue is an important one. As I said clearly, I am not happy having to vote for either of these two parties at any time, but I know that in this case I would probably be looking at a much worse case scenario if the Tories were in power. I am not prepared to give them even the chance to make this kind of run at it.

Mr. Mancini: I am pleased to have the opportunity this afternoon to reply to some of the comments made earlier in this no-confidence motion.

Mr. D. S. Cooke: Sit down before we change our minds.

Mr. Mancini: My friend the member for Windsor-Riverside is going to applaud enthusiastically after I have completed my remarks.

I want it on the record that the Minister of Industry, Trade and Technology is not here today because he is ill. He is suffering from a viral infection and we hope he regains his health quickly.

I also want the record to show that the member for Downsview is attending the official opening of the new Portuguese consulate in Toronto at this time. He spoke during the motion put by the leader of the New Democratic Party and made his views known very clearly at that time when he stated emphatically that he was against what the government of Canada was doing. The people of his riding know what the member feels about the situation, as recorded in Hansard at that time. The member also attended a meeting in his riding when he publicly disclosed his point of view against the sale of de Havilland and against the way the government of Canada has handled the whole matter.

The Leader of the Opposition made several remarks earlier in regard to the handling of the de Havilland matter. During those remarks, he seemed to indicate to the House that he had not received any information whatever as to the previous government's lack of interest in helping people in this province who might have been interested in at least making an offer for the de Havilland plant.

I want to go through some of the notes that have been prepared by the staff of the Ministry of Industry, Trade and Technology in regard to some of the activities of the past government.

On October 4, 1981, it states, "An internal MIT-Treasury memo indicating Ontario"—I want the Leader of the Opposition, wherever he happens to be at this moment, and I want the five Conservative members who have stayed to participate in the motion of no confidence that

their party has put forward, to continue with this motion of no confidence so they will know that when they were in power, when they had the opportunity of exercising the responsibility of government in this province, Ontario declined to pay \$32 million for de Havilland site development costs and \$90 million for capital project proposals.

February 16, 1983, a letter from Barnett Danson, then chairman of de Havilland, to Bernard Ostry, the deputy minister, asked Ontario to support a flight-simulator training program and Ontario declined. Furthermore, there was correspondence on January 3, 1985, between the minister, the member for Muskoka, and mathematics Professor Anderson, University of Toronto, regarding a possible scheme for purchase of de Havilland. Do the members know what the minister did at that time?

Mr. McClellan: Mr. Speaker, on a point of order: I thought the Conservative Party would show more interest in its no-confidence motion than it obviously has. Perhaps you could determine whether a quorum is present.

The Acting Speaker ordered the bells rung.
5:04 p.m.

The Acting Speaker (Mr. Morin): A quorum now being present, I will ask the member for Essex South to continue.

Mr. Mancini: We had four Conservative members in the House when the quorum was called on a motion of no confidence put forward by the Leader of the Opposition. That is how concerned and interested they are, and it is their motion of no confidence.

Mr. Timbrell: There were no ministers present when the Leader of the Opposition was speaking.

Interjections.

The Acting Speaker: Order.

Mr. Mancini: I was going over some of the information we had accumulated in regard to the de Havilland sale. Earlier today, the Leader of the Opposition stated there was not "one twit of evidence" to show his former government was not interested in helping the de Havilland people.

I have already mentioned two points and I will go on to the third. On January 3, 1985, there was correspondence between the then minister, the member for Muskoka, and Professor Anderson, professor of mathematics at the University of Toronto, regarding a possible scheme for the purchase of de Havilland.

Can members imagine or guess what the then minister did with these very important letters,

what these people who are now across the floor and who consider this matter so important did? I will tell members what they did. Members should listen to this. These letters were referred to the Honourable Sinclair Stevens, the guy who sold them out, who pulled the rug out from under the de Havilland company. The former minister of the Conservative government in Ontario sent these very important letters to Sinclair Stevens.

Further, in regard to the unfounded and wrong comments made by the Leader of the Opposition when he stated there was no evidence of their complete disregard in the case of de Havilland, I will quote from a letter dated February 21, 1985, from Rimgate Holdings Ltd. and signed by the chairman, John J. Shepherd. This letter is directed to Dr. E. Stewart, Office of the Premier. All of us remember Dr. E. Stewart, of course.

The third paragraph states, "In the course of the discussion with you, it became evident that in the context of your understanding of our position the option itself and the then current electoral situation tended to preclude any action on the part of the Ontario government."

What does "the current electoral situation" mean? Does it mean that a month or two prior to a possible election the whole government of Ontario freezes; that in order not to embarrass their Conservative friends in Ottawa, the government here did and said absolutely nothing? I think that is exactly what this letter received from Mr. Shepherd means and that the Leader of the Opposition was wrong today when he made those allegations. He was wrong again.

I want to refer to another letter that is in our files. We must acknowledge here again that de Havilland is a wholly owned crown corporation under the jurisdiction of the government of Canada; it is not owned by the province. We have made our representations.

Mr. Baetz: What about UTDC?

Mr. Mancini: We have not done anything with UTDC.

I am going to read this in particular for the member for Ottawa West (Mr. Baetz), a letter from the Prime Minister of Canada to the Premier of Ontario, dated September 23:

"Dear Premier"—

Some hon. members: What year?

Mr. Mancini: It is 1985.

"Dear Premier:

"Thank you for your letter of August 16, 1985, concerning the sale of de Havilland. First, allow me to say how useful I found our August 9 meeting. I too believe that the government of Ontario and the government of Canada"—listen to

this—"will continue to seek and achieve a higher degree of co-operation.

"I note your government's interest concerning the sale by CDIC of de Havilland. With respect to Rimgate Holdings, I can assure you that their interests have and will continue to be given all due consideration and will be fully evaluated with other offers to purchase de Havilland."

5:10 p.m.

Mr. Rae: It is a sacred trust.

Mr. Mancini: Yes, a sacred trust.

Putting the letter aside for a moment, we know what the people of Rimgate had to say on their treatment in Ottawa. The senior officials from Rimgate have stated publicly, and it was recorded in the daily papers, that initially they were treated with some tolerance and then later on treated as if they were an irritant. That quote is in some of the same papers that the Leader of the Opposition quoted today.

To get back to the letter, it says: "I want to reinforce our view that de Havilland is a vital element in the Canadian aerospace industry and that disvestment is intended to produce a stronger, better company, able to grow and prosper in the future. I share your desire that disvestment result in a full-scale aerospace company which will continue to contribute to the Ontario economy."

Now for the clincher. This is from the Prime Minister of Canada to the Premier. I want to tell the Leader of the Opposition, who is not here now, what the Prime Minister says:

"I have asked the Honourable Sinclair Stevens to ensure that the government of Ontario is notified and appropriately briefed prior to any announcement concerning the sale of de Havilland."

"Your sincerely, Brian Mulroney."

We have a letter signed by the Prime Minister himself wherein he promises in writing, signs his name to the letter and states we will be briefed and we will be told in advance of anything being done with regard to de Havilland, and he broke his word. We trusted the Prime Minister and he broke his word.

The Leader of the Opposition today, as he usually does, reads things from the record, but only certain sections, usually to help make his own case. He very seldom reads—

Mr. Gillies: Why else would one read from the record?

Mr. Mancini: I have never done this. If the members can point out such a situation, I will await to be judged by them.

I refer to Hansard of May 15, 1984, page 1535, when a former member of the House, Mr. Stokes, asked a question of the then Minister of Industry and Trade, the member for Muskoka. He said: "Mr. Speaker, I have a question for the Minister of Industry and Trade. Can the minister, who feels neglected lately, confirm whether he has heard rumblings from his federal counterparts that they are prepared to dump Canadair and Hawker Siddeley? Can he tell us whether he agrees with people such as Michael Wilson that they are just not viable and not worth supporting?"

The then Minister of Industry and Trade replied: "Mr. Speaker, I am glad the honourable member looked at me today when he posed the question, because I have been a bit embarrassed about somebody imitating me in the back row." Who that could be, I do not know.

He went on to say that he did not know about Canadair, but he was certain de Havilland was the firm that was at the top of the list for the government of Canada. He stated: "It is a company with high world-class technology, one we cannot afford to see close or move elsewhere."

How could he say those things in May 1984 when the record shows that any other previous communications with the government indicate the ministry is not concerned. What he said in the House does not square with the memos that are at the Ministry of Industry, Trade and Technology.

Mr. Villeneuve: Who was the government in Ottawa in May 1984?

Mr. Mancini: The Liberal government saved de Havilland; it did not sell de Havilland. The Liberal government in Ottawa poured hundreds of millions of dollars into de Havilland and suffered great political penalties to save it. It did not sell de Havilland as its Conservative friends in Ottawa have.

We go to November 2, 1984, when the Leader of the Opposition, as he does on a regular basis, quoted—

Mr. Gillies: Is this a history lesson?

Mr. Mancini: No, we are moving along rather rapidly. Hang on tight.

He quoted the member for Port Arthur, who had a very sensible question on that day. The member for St. Andrew-St. Patrick (Mr. Grossman) responded to the member for Port Arthur by saying—and I want all the Conservative members to hear this—

Mr. Hennessy: She is telling you to be quiet.

Mr. Mancini: The member for London South (Ms. E. J. Smith) told me that I should be tougher on the Conservative opposition, and I told her that I am trying my best.

An hon. member: Do not hold back.

Mr. Mancini: I am trying not to hold back.

"He said: I think the important thing is that we are committed to doing everything possible to maintain the jobs at de Havilland." The member for Brantford should listen; this is his leader speaking. "I think it is quite another step to take to say the only way that can be done is through public ownership." The Leader of the Opposition said that. He is not here right now, but that is all right.

He said, "I have spoken to the ministers of the federal government." He spoke to the ministers, my goodness, and he spoke to the Prime Minister. Is that not wonderful? He went on to say in some other answers: "The particular mix of public, public-private or private is something the federal government is looking at. I think my colleague is absolutely right in saying that, if necessary, public ownership ought to be maintained." It can be maintained, however, by the government of Canada, which now owns de Havilland and is in such a hurry to get rid of it.

The record is very clear; the government of Canada has decided to have a fire sale on de Havilland for no reason whatsoever and these Conservatives who now sit in opposition find themselves in the very embarrassing position of having to defend their cousins in Ottawa. I know what it is like. It is something they have to live with, but it is one of those decisions they are going to have a hard time explaining. It just will not wash out there.

Mr. Speaker, thank you for the time in this debate.

Mr. Rae: This motion was moved by the leader of the Tory party on Thursday, December 5. Friday comes after Thursday and one would have thought that on Friday, the day after he moved a motion of no confidence in the government, a barrage of questions would have faced the government with respect to the de Havilland deal. We had silence from the Tories on Friday, December 6.

They then showed their concern by remaining silent on the subject of de Havilland on Monday, December 9; Tuesday, December 10; Wednesday, December 11; Thursday, December 12; Friday, December 13; and in question period today there was not a peep on the subject of the de Havilland sale. That is just one example of the degree of real concern the Tory party in this

province has for the sale of de Havilland, which is about to be negotiated by the government of Canada.

5:20 p.m.

The Tories moved this motion for only one reason; they thought they were being very clever. "You move an emergency debate, aha, and we will do something even more clever. We will move a motion of no confidence and then we will see what happens."

The only people who have looked foolish, who should be embarrassed, whose cynical insincerity and massive and synthetic concern is so obvious to the people of this province and to the workers of de Havilland are the members of the Tory party of this province, which has embarrassed itself by moving this motion. Jack Pickersgill looked better in 1957 when he urged Mr. Pearson to move his famous motion against Mr. Diefenbaker, which exploded in his face.

This motion is going to explode in the face of the member for St. Andrew-St. Patrick as surely as anything else should, because the people of this province simply do not believe the leader of the Tory party when he says he cares about these jobs.

If he cared about those jobs, why was he not once down at the de Havilland plant last week? Why was he not once meeting with the union? Why was he not once talking to the workers about it? Why did he not once hold a meeting about it? Why did he not once give a speech about it, apart from the one he gave in this House? Not once did he do so.

There is something in politics called sincerity and there is something in politics called concern. I am not one to say, "The federal Tories did it; therefore, you have no right to say anything." All I am saying is that if the leader of the Tory party were really concerned one iota about this issue, we would have more than this fatuous motion and the monument to insincerity that we heard today from the Tory party with respect to the sale of de Havilland.

We have had nothing but silence for the past 10 days. Why have they been so silent? Because they have no credibility, because nobody believes them.

Mr. Ashe: Look who is talking.

Mr. Rae: I have obviously touched a nerve, and I am glad there are more than four Tories in the House today.

I have been involved in debates where we have defeated governments, and I have been involved in many no-confidence motions in my life, but I have never heard of a no-confidence motion in

which we had to call a quorum because the people who were moving the motion could not turn up in the House. That is the degree and the extent of their concern. That is how deeply and passionately the Tory party cares about these jobs.

That is the kind of insincerity that is going to become the hallmark of the Tory party. If the leader of the Tory party is not careful, it is going to become his hallmark. It is something that is going to do considerable damage to the Tory party, because people simply do not believe them when they say they are concerned.

We have an accord that was signed by our party with the Liberal Party, and if I may say so, today of all days, when we have laws on rent regulation and a new policy on housing—and my colleague the member for Bellwoods (Mr. McClellan) and those who negotiated the accord and others involved can take considerable credit, I believe, for what has happened—I take some real pride in the achievements of the accord. One of the key elements of the accord was the commitment of this party to an element of stability in the life of a minority government.

I have defeated two Tory governments, and I think I have had something to do with changing the careers of two Tory leaders; so I am not going to take macho lessons from the member for St. Andrew-St. Patrick in who can bluff better, who can go one up better and who can do one more better. I am not going to play those kinds of games—

Mr. Shymko: On a point of privilege, Mr. Speaker: There is a danger that we may be misinformed or misled by the leader of the third party, who in talking about the so-called alliance does not state that he is being challenged for the leadership by a man who says he has sold out the New Democratic Party.

The Deputy Speaker: That is not a point of privilege.

Mr. Rae: If the leader of the Tory party had not taken up all his party's time and monopolized the entire 40 minutes, I am sure the member for High Park-Swansea might have been allowed to get in. However, that is something he will have to negotiate with his own leader, perhaps in subsequent debates when his leader, feeling a little more confident in his role, will want to share some of his time with some of his colleagues. I am sure that time will come in the next decade.

What we are debating today—and one has to appreciate something of the irony of life to appreciate the irony of this motion—is a motion

moved by the same individual who said the following on November 2, 1984. For some reason, when he quoted from the question my colleague the member for Port Arthur asked him when he was the Treasurer in 1984, the present leader of the Tory party chose not to quote his own answer. I do not know why.

Mr. Grossman: It was a question of time.

Mr. Rae: He had only 40 minutes. That is right. It is tough to get all one's thoughts out in 40 minutes when one has so much to say. I know it is difficult. However, I want to say to the leader of the Tory party, there are times when I think it is only fair to quote answers as well as questions.

Let us hear what he had to say. He said they had talked to everybody; they were in touch with everybody. "The Premier (Mr. Davis) has spoken to the Prime Minister." This is how he described the position of the government: "They"—the government of Canada—"have indicated to us unfailingly that it is their desire to ensure that de Havilland continues to be economically viable and productive and employing a lot of people. It is their view that it is appropriate to look and see if a private sector option is available. That is one I do not think we can quarrel with so long as we ensure that economic viability is the guiding light. I believe we will find out those jobs can be maintained in the private sector." That is the end of the answer to the question.

There was no mention of ensuring a domestic content. There was no comment there about how the government would object to any foreign investment. There was no mention of the fact that, if it were an American company, the government of Ontario would be up on its hind legs screaming and hollering that this could not be allowed to happen.

There was no mention of any of those things. Why not? It was simply because the Tory party in this province started the ball moving in Ontario with respect to privatization. The Tory party in this province is as ideologically committed to the sell-off of valuable public enterprises as its cousins in Ottawa. I dare say it appears it is almost as committed as the Liberal Party in this province, which is a problem I want to come to in a moment.

Mr. Ashe: It is about time.

Mr. Rae: I know it is hard for the Tories to listen, and particularly for the member for Brantford, when he has been part of a party that has done this country an enormous disservice.

One should talk to people on the street, as I have done, with respect to de Havilland and Boeing. I was Christmas shopping on the

weekend. I did not get people coming up to me saying: "Bob, why are you not fighting like Larry to protect those de Havilland jobs? Why are you not doing what the provincial Tories are doing to protect those jobs? Why are you not going to cause an election on January 20? We are all desperate to get out there and express ourselves in a de Havilland election, and the only way we can do that is in the provincial context."

Somehow, I do not get that on the street. I have not taken a poll. I do not have a Decima ticker-tape in my office. I do not have access to Allan Gregg and his crystal ball. However, I go down the street a lot and talk to people as I go shopping, and I have not been getting that.

What I have been getting is this: "Who do these guys think they are? Whom do they think they are kidding? They are not kidding anybody." If we are going to fight the de Havilland sale, we are going to fight it by fighting hard.

Interjections.

The Deputy Speaker: Order.

Mr. Rae: I listened to the leader of the Tory party speak for 40 minutes, and not once did I hear him say he believed the sale to Boeing was wrong and he was going to do everything he could to fight it. Not once did I hear him say he was on the telephone every day to Brian Mulroney. Has he telephoned Mr. Mulroney? I did not see a nod, nor did I see a shake. Did he ask Hugh Segal to telephone?

Mr. Grossman: The member should ask his friends.

5:30 p.m.

Mr. Rae: I am not embarrassed. I am not embarrassed by Ed Broadbent. The fact is that on Thursday, Mr. Broadbent and I were having a press conference together to talk about what realistically could be done. Do members want to know the one thing that was not on anybody's agenda? It was a provincial election as the solution to the problem of the workers at de Havilland.

Nobody in this province believes, and correctly so, that an election would have an effect on a single job at de Havilland. We know when it comes to those matters, it does not make any difference with respect to the Tories. The Tory party in this province is not committed to doing things any differently, and that degree of patent insincerity is evident to the people on the streets of Ontario.

I was in the briefing on Monday with the leader of the Tory party and the Minister of Industry, Trade and Technology. I want to express to the

Treasurer, who is here today representing the government, how appalling I think it is that the Minister of Industry, Trade and Technology is not in the House to speak, to respond, to listen and to deal with what can only be described as his extremely sorry, inadequate and marginally capable performance.

Hon. Mr. Nixon: Mr. Speaker, on a point of order: Before the leader of the New Democratic Party goes further than he might wish, I must inform him that the minister referred to in the member's last remarks is ill and under a doctor's care. We hope he will be back later in the week, but that is not sure. He is ill, however.

The Deputy Speaker: That is not an appropriate point of order.

Mr. Rae: I take the Treasurer's point. We all wish the minister a speedy recovery and hope he can be back in the House before question period is over on December 20. We look forward to seeing him then.

I was in the briefing with the leader of the Tory party. We were briefed by Mr. Marshall, whom I would describe as a hard-nosed, western Tory businessman, who was eager to rid himself of this asset and took some time to convince us that whatever was done was all for the best.

The leader of the Tory party left before the end of the briefing. In fact, he left rather early in the proceedings. I was quite surprised. Then I realized he was leaving just as Mr. Marshall was indicating very clearly to all and sundry that there was absolutely no difference in the message he had been getting from the officials of the Ministry of Industry, Trade and Technology before May 2, after May 2 and through the summer.

As far as he was concerned, there had been no change in government. As far as he was concerned, he could not detect a difference. He was getting the calls from the officials. He was in touch with George MacDonell. The Minister of Industry, Trade and Technology came into the briefing and looked longingly at his own picture on the wall of this marvellous boardroom. The Leader of the Opposition came in and looked longingly at the pictures of all the former ministers. There was a picture of his father on the wall. He called all the officials by their first names: "Hi, Harry. Hi, Mike. Hi, Harvey. How are you? Sit down." They all sat down.

Mr. Gillies: Who in the ministry is named Harvey?

Mr. Rae: I do not know. I think it was Harvey. I cannot remember. I think Harvey was there. It

might not have been Harvey. I could be mistaken.

Mr. Gillies: There is no Harvey in that ministry. Admit it.

Mr. Rae: Mike.

As we got into the briefing, it became clear from Mr. Marshall that nothing had changed. The briefing revealed something else. It revealed there had been no difference in what they had received from the Tory party here, but it also revealed some things that point to a very sorry record by the Liberal Party in this matter. It is to that I now want to turn quite specifically.

I want to make it very clear that I am supporting the idea of giving confidence, because that is what our party agreed to do in the accord. I am not going to play games with confidence, but my commitment to the Liberal Party does not go above and beyond that. I honestly believe the people of this province have political maturity. They understand the New Democratic Party is not going to play those games. In particular, we are not going to play those games when it comes to a motion moved with such patent insincerity as this one has been.

What was revealed and what we have seen is a record that is not a good one. It is not a record of which this government can be proud any more than the Tory party can be proud of what it has done with respect to de Havilland.

Mr. Villeneuve: The member has never been wrong in his life.

Mr. Rae: When it comes to matters of privatization, I think the record will show that federally and provincially we have resisted moves by government to sell off public enterprise at fire-sale prices, whether those governments are Liberal or Tory; that is a record of which I am proud as the leader of the New Democratic Party.

On October 30, three offers were put to the board of the Canada Development Investment Corp., and the decision was made on that day to choose Boeing rather than the other two offers that were made, one by Rimgate and the other by Dornier. It does not appear that throughout the month of November this government was aware of that meeting, of the results of that meeting or of the fact that the process was to go from CDIC, a board decision, through the cabinet committees to cabinet for a final decision.

To say that I was disturbed to find that level of neglect of Ontario's interests and of the interests of the corporation by the government of Ontario is to put it mildly. We find that throughout the month of November, letters are going back and forth which do not clearly indicate the CDIC

board has made a deal. At the same time we find that meetings are going on with ministry officials, with the minister himself and with Mr. de Cotret on November 29, at which point some final word does appear to have been given that a deal was in the works.

On November 25, for example, when I asked the Premier a question about this matter—and even going back this far, I still do not find any particular interest from the Tory party in this matter—the Premier said: "We have been assured a deal has not been made and we will be given a chance to look at that before it is consummated, if it is. I understand there were two or three different bids. I am not sure of the details of each."

That was the Premier's answer on November 25. It seems clear to me that the Premier and the minister were in the dark on this matter; indeed, from the evidence it would appear that many of his staff members were in the dark on this matter. It is also clear that the people of Ontario expect more; they expect protection and advocacy, they expect interest, they expect attention and they expect a government that is going to represent them seriously in the face of the loss of a corporation from Canadian ownership that surely deserves to be maintained as a Canadian company.

I am still not clear on the position of the Tory party of this province or, indeed, on that of the Liberal Party in this province. I have not heard the Tory party say it believes that the sale of Boeing should be blocked, that it should be stopped, that there should be a different deal, that some other party should be awarded the sale or that the company should be maintained in public ownership. We are equally unclear about the Liberal Party. The view of the Liberal government appears to be—and I do not think I am being unduly cynical about the approach of the Liberals—that a sale was inevitable and: "We have some public assets we want to dump as well. We had better be careful about how critical we are of the Tories for doing the same thing."

5:40 p.m.

Every comment I have heard from the Premier on the subject of public enterprise and public ownership is one of scathing opposition, in which he shows himself to be slightly to the right of Genghis Khan on the issue, determined to show he can be an even better and more convincing advocate than Margaret Thatcher of selling it off to the public.

Mr. Runciman: It did not bother you this spring.

Mr. Rae: The comment by the member for Leeds is that it did not bother me this spring; it has bothered me all my political life, which is why I am a member of the New Democratic Party and not a member of some other party. That is a simple fact.

Mr. Runciman: New Liberal.

Mr. Pope: New Liberal.

Mr. Rae: I seem to have stung something; I am not sure what.

I hear the member for Leeds, who makes Margaret Thatcher look progressive on the subject of state and public enterprises and who longs to become a member of the Libertarian Party but is not sufficiently attached to his principles to do so. When he is the one to be critical of us, I take it all not just with a grain of salt but with several bags thereof.

Surely we are facing something here that is not just a parliamentary game but something more than that. We are facing a very dangerous orthodoxy that has grown up and captured the hearts and minds of governments, both federal and provincial, not simply in Ontario but across the country.

Somehow the notion has taken hold that if the state sells off enterprises that for a variety of reasons it has been involved in for generations, it is somehow going to create new jobs, is somehow automatically going to induce far better performance, is going to protect the Canadian economy and is going to enhance life in and of itself. I cannot imagine a clearer example of a fuzzy, ill-thinking ideological point of view that is not consistent with the facts.

The facts of modern political life are that a mixed economy is essential and that it is essential to have and to protect for Canada assets that have worked for Canada. After a generation of fighting against foreign ownership and trying to reclaim sectors of the economy that we lost for generations, for the Tories in Ottawa to be selling those corporations to the Americans and to be selling de Havilland to Boeing is a travesty of what it is to be a Canadian.

It is a travesty of what it means to have a strong national economy and what it means to have a government that is prepared to plan and take steps to protect the people of this province and to protect an investment. My God, if any other corporation sold itself so cheaply, it would be taken to the cleaners on Bay Street and that is precisely what should happen to the Tories in Ottawa.

Hon. Mr. Nixon: I listened closely to the remarks made by the leader of the New

Democratic Party and I am delighted at his ability to self-rationalize. It is so good that we can look forward to their continuing support. As usual, he made an excellent speech, but I do want to point out to the honourable members that we are dealing with a company that is totally owned and controlled by the government of Canada, and it was its decision, made more than a year ago, to divest itself of the asset we are discussing at the present time.

I want to express the regret of my colleague the Minister of Industry, Trade and Technology, who is not able to be here today because of illness; he may, unfortunately, be off for two or three days. The members will recall he was here to take part in the debate based on the motion made by the New Democratic Party about a week ago, and that we set aside the business of the House so we could debate that matter of urgent public importance.

I agree with the comments already made that it is some sort of political catch-up that we are now debating a no-confidence motion based on the same subject. I suppose if we were going to play the same game, tomorrow I should bring forward a motion—and the idea is very attractive—condemning the government of Canada for the handling of this matter, and we might see what the Progressive Conservative Party would do in this connection.

As honourable members know, the Liberal Party does not and never has played that sort of game. We deal in a straightforward manner with all of these issues, and I really must say I feel the time this afternoon has been wasted. We have listened to the arguments and criticisms that have already been put forward, however valid members opposite may think they are, and the only reason I do not get rather worked up about it is because the House leaders on both sides have indicated that, behind all this facade of bluster, there is a certain Christmas rationality that is coming to the fore as we approach the last few hours before the brief Christmas adjournment. They know how interested I am in getting certain bills before the House and carried, so I must be careful not to be provocative, even if I could be, in matters of this sensitivity.

I know just how sensitive it is between the two opposition parties vying for attention. Their abilities are measured by the fact that we had to have a quorum call this afternoon, and their very best oratorical efforts have left the television galleries empty and only one worthy soul in the press gallery. It may be that nobody in the whole world will really know of the important events

that have transpired this afternoon except the member's various aunts and uncles to whom he gives copies of his own speeches as Christmas gifts.

I do not for a moment downgrade the importance of the matter, other than to point out to you, Mr. Speaker, something of which you are already aware. This has been a subject of questions intermittently over the last few weeks, to which clear and complete answers have been given by my colleague the Premier and my colleague the Minister of Industry, Trade and Technology, who is unfortunately absent today. We have had a full adjournment of the business for one whole afternoon in which the whole matter was aired in an extensive way, and it was made clear that while we in the government are deeply concerned about the inadequacies of the procedures taken by the government of Canada, there is really nothing we can do to force it to correct itself.

It is interesting to note, to read its defence in the House of Commons, that it is not embarrassed about it at all. In spite of the view taken by the leader of the Progressive Conservative Party of Ontario, the Progressive Conservative Party of Canada seems to be thinking and putting forward on a public basis that this is an excellent decision for the benefit of the taxpayers. It is difficult to know what Conservative policy is in this connection.

I should say that my colleague the Minister of Industry, Trade and Technology has worked himself into a sick-bed trying to represent the people of Ontario in an effective way, and he has had substantial successes. Any members who have been fair and rational in this regard would know that it was because of the package of assistance he was able to put forward to that well-known international Japanese firm Toyota that it decided to establish its new plant in Waterloo region, just 10 miles north of the village of St. George.

It was also possible for him to put forward what was almost a winning program as far as Hyundai was concerned. It was only because he was competing against the entire Treasury of Quebec that it was not possible for that to be successful, although he was in the forefront of the arguments that put forward this province. We know other industrial processes are expanding, but he is also dealing with those that are not so successful.

The member for Brantford, who is looking a bit dreamy at this stage of the afternoon, would know that the company in his own constituency,

Massey-Ferguson, announced this afternoon a fairly substantial reorganization. This has been a matter of grave concern to everyone associated with it, and the Minister of Industry, Trade and Technology has worked uncounted hours, late into the night and early in the morning, to represent the people of Ontario in an effective and informed way.

5:50 p.m.

As we approach the very brief Christmas recess, I do not want to push my luck too far in being critical of the inadequacies of the initiative taken by the Leader of the Opposition. It is very difficult to determine what his motivation is, but we are all honourable members here and we must presume he considers it important enough to try to keep up with the NDP in some inadequate way in order to waste our time this afternoon.

We have had a full debate now on two separate days. I ask all reasonable members of the House to vote against what is basically an irrational motion.

The House divided on Mr. Grossman's motion, which was negatived on the following vote:

Ayes

Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousins, Cureatz, Davis, Dean, Eves,

Fish, Gillies, Gordon, Gregory, Grossman, Guindon, Harris, Hennessy, Jackson, Johnson, J. M., Lane, Leluk, Marland, McCague, McFadden, McLean, McNeil, O'Connor, Partington, Pierce, Pollock, Pope, Rowe, Runciman, Sheppard, Shymko, Sterling, Stevenson, K. R., Taylor, Timbrell, Treleaven, Turner, Villeneuve.

Nays

Allen, Bossy, Bradley, Breaugh, Bryden, Callahan, Caplan, Charlton, Conway, Cooke, D. R., Cooke, D. S., Cordiano, Curling, Eakins, Elston, Epp, Ferraro, Fontaine, Foulds, Fulton, Gigantes, Grande, Grandmâitre, Grier, Haggerity, Hayes, Henderson, Johnston, R. F., Kerrio, Keyes, Knight, Kwinter, Laughren, Lupusella; Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Morin, Morin-Strom, Munro, Newman, Nixon, Offer, Peterson, Philip, Poirier, Polsinelli, Pouliot, Rae, Ramsay, Reycraft, Riddell, Ruprecht, Sargent, Scott, Smith, D. W., Smith, E. J., Sorbara, Swart, Sweeney, Van Horne, Ward, Warner, Wildman, Wrye.

Ayes 44; nays 68.

The House recessed at 6 p.m.

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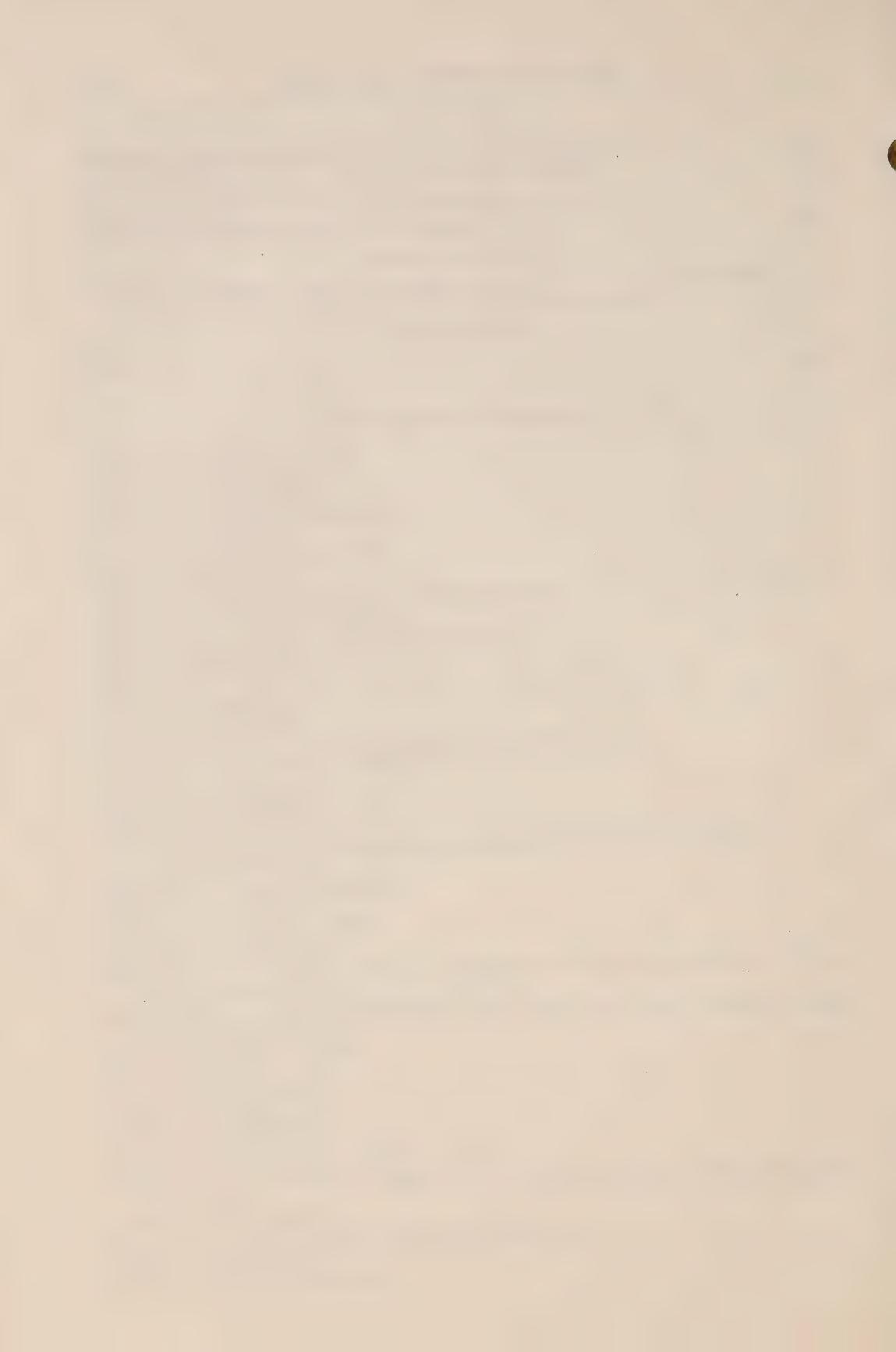
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No. 71

Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Monday, December 16, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, December 16, 1985

The House resumed at 8 p.m.

House in committee of the whole.

CORPORATIONS TAX AMENDMENT ACT (continued)

Resuming consideration of Bill 45, An Act to amend the Corporations Tax Act.

On section 17:

Mr. Chairman: We are in the middle of an amendment by the member for Lincoln (Mr. Andrewes) to subsection 17(1) of the act. Is there any other member who wishes to participate in the debate?

Mr. McCague: The amendment my colleague proposes makes abundant sense to me as it did to the now Treasurer (Mr. Nixon) in a previous incarnation in his speeches and in his dedication to the campaign. I cannot think of an amendment which would lead to more employment in the province than the one proposed by the member for Lincoln.

I have a notion that the Treasurer is hiding behind a couple of words. We had indication of that today when my leader put a question in three different ways and there was still no answer. That is typical, but I do not think he should hide behind a couple of words which he thinks are wrong. I do not believe the amendment is wrong. Why do we not agree that the idea is a good one, as it was proposed originally by many people, and that a word change would be helpful?

In the past, I have heard Treasurers get up and say if the member would only change a word or two it would be great and they could go along with that. Why does this Treasurer not do that and get on with the amendment? It makes sense, and I commend it to him.

Hon. Mr. Nixon: Before the spokesman for the official opposition gets his enthusiasm running too high, I will point out that the acceptance of the amendment would cost the Treasury about \$100 million. The idea is a good one, but for now it is too expensive. It will take a lot more than the adjustment of a word to get me to accept it. If our economy is buoyant enough to support it as an initiative to make work in the future, which is very important, and if it is

possible to bring it in, I hope the member will be as enthusiastic in its support.

For good reason, I am not prepared to condemn the amendment. It comes from very good sources. No one can question the thought processes that went into it at all, but we are not accepting the amendment at this time. That is our judgement. We will be prepared to listen to the arguments, but I hope there will not be too many.

Mr. McCague: I could accept the Treasurer's explanation if he would answer the question I asked at least a month ago. What kind of windfall will the Treasury get from the miscalculation he made in increasing the income tax for the province? He will not answer that question. His staff answered it and said the Treasury would get \$150 million. The Treasurer says somewhere between \$20 million and \$70 million, maybe and maybe not.

When I asked that question, the Treasurer launched into the one about how he was being buffalooed by the federal government on transfers, established programs financing and all that jazz. However, if he would answer the first question, then I might agree with him on the proposition he is putting forward now. Until he does that, I think, as his leader keeps saying, he is out to lunch.

Hon. Mr. Nixon: Mr. Chairman, I do not know how far you want to pursue the question of how far off the mark the projections for personal income tax revenues are going to be. The member was Minister of Revenue. Was he Minister of Revenue? No, he was Chairman of Management Board. That is where I see his lovely mug looking down from the wall. They have these lines and lines of Tory former cabinet ministers all looking down and glaring at us. It is very hard to do business.

However, being a sensible person, the member would know the federal revenue experts are the ones who make the projections on our expected revenues from personal income tax. These projections are made on a regular basis, month by month, quarter by quarter. They vary, depending upon the buoyancy of the economy.

I am glad to report to the House, and I know members will be glad to hear it, that with the initiatives which came in the budget of October

24, not only have the sales tax revenue projections increased, but the corporation income tax revenues are more buoyant than expected; and also the revenues from personal income tax, which has nothing to do with this bill, are expected to be more buoyant.

The buoyancy is going up with each report. We expect the revenues to be about \$50 million more than projected. However, at the rate at which the initiatives from the budget are stimulating the business community, it is expected it might even be greater than that.

Mr. Andrewes: We will come back to the subject of personal income tax at some point in the evening. I want to tell the Treasurer, if he does not already know it, my mug will not bother him. I appear on neither the walls of the boardrooms of Management Board nor those in Treasury.

The Minister of Energy (Mr. Kerrio), the Minister of Health (Mr. Elston) or perhaps the Minister of Agriculture and Food (Mr. Riddell) might cast their eyes downward at the sight of my mug on the wall, but certainly the Treasurer does not need to fear that.

The Treasurer said the amendment is too expensive. We are quite aware it was by his own party's calculation that we arrived at the \$100-million figure. I think the point is that the Treasurer said the economy is now buoyant, or he hopes it will become buoyant enough that he might contemplate this kind of amendment in the future.

The point of the argument we are trying to make is that one creates the kind of buoyancy one is after by these kinds of measures. If the economy is buoyant, one does not have to do it. This is the time when one has to keep that economy revitalized; one has to keep it charged up; one has to keep it generating the kinds of tax revenues the Treasurer has described here to some degree as a windfall.

The point of our amendment is that the economy is now in a very delicate recovery, particularly for small businesses. We want to generate the kind of economic activity that keeps things rolling.

8:10 p.m.

Hon. Mr. Nixon: We really debated the whole matter before the adjournment the other night. In my opinion, we might very well have completed it. However, I am not the arbiter of these matters.

In response to the argument made by the member for Lincoln, I think I pointed out the employment statistics are gratifyingly good. In

November alone, 51,000 new jobs were created in Ontario, which reduced the unemployment levels by a full half of one per cent. The reduction in all of Canada was 0.1 per cent. The Prime Minister of Canada is very proud of that. The effects were even more concentrated in this jurisdiction, and we are very pleased about that.

I am not indicating by any means that unemployment problems are solved—far from it—but they are improving. We have the lowest level of unemployment in Canada. I am very proud of that and I hope we maintain that. In fact, I hope the downward trend in unemployment continues right across the nation.

As far as I am concerned, I do not have anything else to add on the amendment. We are not supporting it.

Mr. McCague: Mr. Chairman, I am sure you want to get on with other bills, but I am sorry the Treasurer is worried about the fact that my mug is over there and that it bothers him.

Hon. Mr. Nixon: It does not bother me at all. The member earned it.

Mr. McCague: He said it bothered him.

Hon. Mr. Nixon: When I am there, it bothers me. It is not bothering me now.

Mr. McCague: I am sure it does not; he does not carry it around in his wallet. However, there will be people in the future who will not be worried that my mug is there, but who will be worried that the Treasurer mugged them. His picture will be there some day too.

If it is a good program, which the Treasurer admits, and if it does cost \$100 million in this very buoyant economy, of which he has single-handedly been the author—

Hon. Mr. Nixon: I never said that.

Mr. McCague: I could take that from what the Treasurer said. He did not give anybody else any credit; so why would I not assume he wants all of it?

Mr. Foulds: Was the member not here during the last debate on this clause?

Mr. McCague: Yes, I was. I heard it all, including my friend's contribution.

Why would the Treasurer not consider, or has he considered, 15 per cent, for instance, something he could afford in view of all his windfall revenues? He still has not answered my question about the personal income tax, but I do not think he ever intends to. I will leave that to the member for Lincoln to pry out of him. Why would the Treasurer not consider something lesser? That is what I mean when I say perhaps we could agree on an amendment.

Hon. Mr. Kerrio: Does the member want an amendment to the amendment?

Mr. McCague: I said that earlier.

Mr. Chairman: All those in favour of Mr. Andrewes's motion, will please say "aye."

All those opposed will please say "nay."

Is there unanimous consent to stack the vote until 10:15 p.m?

Vote stacked.

Mr. Chairman: As far as I can remember from the last time, that ends the sections on which members wish to comment, ask questions about or move amendments upon. Is that correct?

Hon. Mr. Nixon: Correct.

Mr. Chairman: Apparently, it is.

Sections 18 to 37, inclusive, agreed to.

INCOME TAX AMENDMENT ACT

Consideration of Bill 46, An Act to amend the Income Tax Act.

Mr. Andrewes: While the new experts from the Treasury are arriving in their places, I seek the minister's clarification so that we know what we are voting on. I see quite clearly that section 1 starts off, "The Income Tax Act, being chapter 213...." Then section 2b begins, "Every individual shall, in addition...." We then go to section 2. Is that out of place? Perhaps the Treasurer will clarify that.

Hon. Mr. Nixon: I do not think it is out of place. The draftsmen were simply implementing the decision to increase the basic rate from 48 per cent to 50 per cent and to add a surtax of three per cent on incomes estimated to be above \$50,000. There are certain other changes, but those are the two specific changes. It may seem awkward, but that seems to be the appropriate way this should be done according to the draftsmen.

Mr. Chairman: What section would you like to refer to?

Mr. Andrewes: I would like to refer to section 2b and subsection 2(1).

Mr. Chairman: Are there any other sections the members would like to refer to or comment on or amend?

Mr. Foulds: I would like to comment on section 1 of the act.

Mr. Chairman: Fine.

On section 1:

Mr. Foulds: As I understand it, section 1, which includes the new section 2b of the statute itself, is the surtax section. Is that correct?

Hon. Mr. Nixon: That is correct.

Mr. Foulds: How did the Treasurer arrive at the figure of \$5,000 as the amount of tax payable? How did he decide to institute the surtax at that level, which I gather is roughly \$50,000 of income?

Hon. Mr. Nixon: I believe the experts looked at the averages and the calculation was that it was people with incomes above approximately \$50,000 who would pay this surtax.

Mr. Foulds: I am sorry.

Hon. Mr. Nixon: It is what the member said, incomes of \$50,000 and more. That is the level indicated here. The member may remember that at the time of the provincial election one of the issues debated was the need for a minimum tax. Actually, on one occasion I looked for a way whereby we might impose a minimum tax. We looked at a number of alternatives.

While I said in a previous debate that the experts at Treasury and the Ministry of Revenue could accomplish almost anything, they pointed out that, particularly since the federal government had promised it was going to implement that, it was not essential. However, we did feel a surtax of the type described was appropriate.

I should point out that I have been joined by Richard Gruchala, who is the senior project leader, structural analysis unit, revenue and operations research branch at the Ministry of Revenue; and by Harry Newton, senior economist of the taxation policy branch of the Treasury. They are assisting me in answering questions.

Mr. Foulds: I take it the Treasurer decided to implement the surtax in lieu of a minimum tax because he found it unnecessary or impossible to implement the minimum tax.

Hon. Mr. Nixon: If it would have been convenient under the federal-provincial taxation agreement, we might have moved for a minimum tax ourselves, since it was very much an issue in the provincial election. However, we were also looking to balance the increases in corporation revenues, which we discussed in the previous bill, with increases in revenues from personal income tax.

I do not want to spend a lot of time saying they are balanced because they are not, but they are not far off roughly in dollars. Lest I provoke the honourable member to embark on a lengthy dissertation about that balance, I would say at least we had it in mind. We did provide amendments that would give substantial revenue

increases from personal and corporate income taxes.

We thought it appropriate in one sense to follow the lead of the federal government and to repeat what the government of Ontario did three or four years ago when it had a similar surtax. That one was a bit richer, but we felt this was adequate for our needs in response to our commitment to undertake finance on a basis of fiscal responsibility.

8:20 p.m.

Mr. Foulds: I have a couple of simple questions. Can the Treasurer inform me what other provinces have surtaxes of this nature and at what rate? Can he tell me what revenue—it has slipped my mind; I do not have my budget with me—he expects to get from this tax?

Hon. Mr. Nixon: At the time of the budget I probably could have answered that directly. I will have to get some advice on this, if the member does not mind waiting for a minute.

Mr. Foulds: No.

Hon. Mr. Nixon: British Columbia, Manitoba and Saskatchewan have income surtaxes, I am informed.

Mr. Foulds: At what rate?

Hon. Mr. Nixon: At reasonable rates. It is 10 per cent in British Columbia, 20 per cent over \$25,000 in Manitoba and 12 per cent over \$4,000 in Saskatchewan.

Mr. Foulds: The Treasurer had better try—

Hon. Mr. Kerrio: The member had better quit while he is ahead.

Mr. Foulds: No; the Treasurer makes my point, I believe.

Hon. Mr. Nixon: I know what the point is: make the rich pay.

Mr. Foulds: The Treasurer made it as succinctly as I could have, although perhaps a bit more floridly.

If the bastion of free enterprise, beautiful British Columbia, has a surtax rate of 10 per cent, surely it is not unreasonable, since the Treasurer did forgo the minimum tax, to implement a surtax on a higher floor—i.e., a floor of \$5,000 as opposed to \$4,000—at a slightly higher rate than the three per cent he has indicated.

In other words, if he is serious about fiscal responsibility—pace the party to my right, which wants to give away every tax increase I have heard talked about and which still talks about fiscal responsibility and about trying to get the deficit down and deliver programs—surely it would make some sense to look at this a little

more seriously and, without being vindictive, vicious or anything like that, implement a five per cent tax, say, on a level of \$5,000, because the floor is relatively high.

Hon. Mr. Nixon: One has to compare the surtax in these jurisdictions with what their basic tax is. British Columbia, which has a 10 per cent surtax and which is not what one would call a progressive taxation jurisdiction, has a basic provincial tax of 44 per cent; but Manitoba, which has the 20 per cent tax that the honourable member thinks is so good, also has a 54 per cent basic tax.

Mr. Foulds: They have no health plan premiums, though.

Hon. Mr. Nixon: They have a general, overall grab in that socialist province.

Mr. Foulds: However, if I may say so, the Treasurer has a general giveaway here in his basic free-enterprise province. What is happening? He has a higher general tax rate than British Columbia has. Therefore, he is hitting middle-income people more, and for high-income people he is taxing much less. That is inappropriate.

I am supporting the section, obviously, because it is a very tiny step in the right direction, but I argue quite seriously that the floor is too high and the rate is too low.

Hon. Mr. Nixon: Noted.

Mr. Foulds: Noted. We will have a change in the next budget.

Mr. Barlow: On the same point, does the Treasurer have any idea when the BC surtax of 10 per cent came into being?

Hon. Mr. Nixon: Four years ago.

Mr. Barlow: I am trying to relate that to something else. Does the Treasurer have any idea when the Saskatchewan surtax came into being?

Hon. Mr. Nixon: In the 1970s.

Mr. Barlow: In the 1970s, under the previous administration. The point I am trying to make is that it seems this is a socialist tax that relates to a socialist government. I do not know why the Treasurer would want to be associated with that.

Hon. Mr. Nixon: I do not want to be unnecessarily unfriendly with the socialists at this time.

Mr. Barlow: I can understand that.

Mr. Foulds: I have one other question on this section. When the Treasurer estimates the income at \$50,000, how is that income earned? Is it earned through straight wages or labour or is it a combination of wages, labour, dividends, interest payments and so on? In other words,

when the Treasurer uses the figure of \$5,000 payable, he arrives at an average income of \$50,000; how much difference does it make how that income of \$50,000 is earned?

Hon. Mr. Nixon: It does not make any difference at all, and the net revenue will be about \$25 million in a year.

Mr. Andrewes: We will be supporting this section of the bill. Our reasons are quite simple. Having received the figures and the advice of a gentleman, a friend of the Treasurer, on surtaxes in other provinces, perhaps we should be grateful for small mercies. Nevertheless, our reasons are quite simple. We have a fairly basic belief that those who have a little more should be prepared to pay a little more.

The members of this chamber who enjoy the perks of two jobs, the ability to carry on their professional practices while they are serving their constituents and this chamber, probably fall into this bracket. Those of us who try to carry on our professions out in the country do not, unless we are privileged enough to find ourselves in the government and occupying the hallowed halls at the end of the second floor.

Most reasonable people go along with this proposed surtax as long as they know where the extra money is going to be spent. I understand that extra money in 1985-86 is about \$2 million, not a significant amount in the balance of this fiscal year, but I assume it will a significantly greater amount in the next fiscal year.

When it comes to these extras, what is the appropriate use for these funds? Many people view education, health care and cleaning up the environment as the right kind of things on which to spend dollars. All of us feel very strongly about those things. The Attorney General (Mr. Scott) talks about the justice system and new courthouses in Windsor. All these things cost money, but they are all very reasonable necessities for our society today and they are certainly endorsed by reasonable people.

8:30 p.m.

As well, the same reasonable people want to see us building an infrastructure that allows us to maintain that tax base and to generate the dollars for these programs. The same reasonable people want to see business stimulated; they want to see growth, they want to see greater exports and they want to see greater trade between provinces. That is the element of this budget that is missing and that is the concern that we have.

Reasonable people will endorse a judicious policy of taxing to pay for the necessities of education, health and the environment, as long as

that is balanced on the other side by that very important infrastructure. We have spoken at length about the inadequacies of this budget in addressing those concerns. There is just nothing there. We will, however, be supporting this section.

I want to place one further inquiry with the Treasurer. He announced at some point that the Liberal Party would implement a minimum tax—I quote his words—if in his government's opinion, the federal minimum tax was appropriate. The Treasurer could start by defining what he means by "appropriate" and then tell us whether the proposed minimum tax by the federal Minister of Finance is, in his terms, appropriate.

Hon. Mr. Nixon: I will do that backwards and begin by saying yes, I believe it is appropriate. We expect the minimum tax announced by Michael Wilson last week to accrue a bit more than \$40 million as our provincial share. It is a parallel tax, which was not specifically the one I would have chosen and there are those in the Treasury who have indicated to me that they feel it is more complex than is necessary.

I had the chance last Friday to discuss this with the other treasurers from across Canada in a meeting chaired by Mr. Wilson. We indicated to him that we thought it was an appropriate fulfilment of the Conservatives' election promise. Under the federal-provincial tax collection agreement, we get the 50 per cent part of that which they would collect in this province. That will give us the \$40 million I spoke about. I do not have any problem with that.

If they had not proceeded, I would have asked the federal authorities to grant us the flexibility under the tax collection agreement to implement a minimum tax. I have read quite a bit about minimum taxes since assuming this new responsibility—for me, it is not so new any more—and I understand that it does not replace far-reaching, thorough tax reform.

Over the years a number of tax preferences—that is, loopholes—have been built into the system, all of which were designed by the federal and provincial governments to direct private funds into investments which were then relieved of taxation in part or in total for what was considered to be good and proper public policy reasons.

With these tax preferences, it is possible for people with large incomes to order their affairs so they have no tax payable. The intricacies of so doing usually leave them with a rat's nest of investments—which must drive them crazy—as the balancing load for not paying a direct income

tax. The money is invested in those things which governments of the day and previously, considered worthy of a tax preference.

A further review of taxation is necessary. We are urging the government of Canada to undertake this, and I hope we will be able to do this in a co-operative and productive way.

Mr. Andrewes: We urge the Treasurer to parallel anything the federal government does or not to do it at all.

Hon. Mr. Nixon: I cannot hear the member very well.

Mr. Andrewes: There are too many interjections. I recall reading somewhere with respect to criticism of the federal government's proposal, that there is a large number of individuals, probably 3,000 or 4,000, who are high income earners who currently do not pay any tax. However, if those people are assessed accumulatively over three or four years, it is then narrowed down to about 100 individuals who do not pay any tax. The Treasurer is nodding; so I assume I am correct.

Hon. Mr. Nixon: I read the same thing the member did. Some people who would avoid tax one year might get caught the next. It would take a particularly persistent income earner, probably with lots of advice from a lawyer and an accountant, to keep out of the tax files for four years in a row. It is possible, and some do, but not many.

Mr. Andrewes: The only concern I have is that it seems like a tremendous bureaucracy to monitor the small number who do not escape the net at some point. Perhaps the minister wants to comment on that.

Hon. Mr. Nixon: I guess federal people do that because we do not do it. We get reports of the type my friend from the potato and sod belt finds so irritating. They do the monitoring and they give us their projections; we check those out, but not in the same meticulous way. Because we are members of the tax collection agreement and quite enthusiastic supporters of the concept, as long as it is a two-way street and we do have some input, we leave it to the federal authorities to do this and we do not overlap that rather intricate and expensive responsibility.

Mr. Andrewes: I agree it is intricate and expensive. My only thought flowing from this discussion is that among those 4,000 people it seems apparent that those who are not paying tax make their tax saving by what is now a legitimate measure. The only comment I will make is that we should be very cautious when addressing

what my friends to the left would describe as those few rich who refuse to pay and get out of pulling their part of the sled up that long, difficult slope—

Mr. Foulds: Uphill.

Mr. Andrewes: Uphill?

Mr. Foulds: The member was talking about the long, difficult pull of the sled.

Mr. Andrewes: Absolutely. We must make sure that free ride does not take us away from what have been, over the years, legitimate exemptions.

Hon. Mr. Nixon: I know my friend the member for Port Arthur is anxious to comment on this, but I agree with the member for Lincoln to some extent. I have always thought the political impact of the corporate welfare bum criticism was a bit unfair since the corporate welfare bums had been led into the tax preferences by government policy. Since it was largely Liberal policy, I could not find it in my heart to damn it totally out of hand.

However, I do think that while it is fine to have an array of preferences that are part of government policy and that individuals across the nation and here in Ontario can take their preferences, one should not be allowed to go scot-free from pulling one's part of the sled uphill, as the member for Lincoln so graphically described it. Therefore, I find the idea of a minimum tax attractive. Perhaps it is my unsublimated populous prejudice that I want it both ways, and I guess we can have it both ways, because we do.

8:40 p.m.

Mr. Foulds: I was not going to speak any further on this clause, but both the Treasurer and the member for Lincoln have provoked me by some of the things they have said. Let me make a couple of points.

At present, in our society in Ontario, people who earn roughly between \$8,000 a year and \$40,000 a year pay more than their fair share of income tax; those who earn \$40,000 and over do not pay their fair share. This bill does not address that balance. When we get to the next clause, we notice it is the single person with two kids, earning \$25,000, who gets hit with a much greater tax increase proportionately than the person earning \$50,000 or more.

The Treasurer diverted to talking about corporate welfare bums—which this bill is not about—it is not about corporations tax and so on. Never the less, he sort of apologized to these people by saying that government had led them into these tax preferences.

That is complete and utter nonsense, to use a polite word. Anybody who has ever studied the Senate committee on finance and the influence it had, the people who have influenced it and the influence it has had on our tax laws, knows damned well it was the other way around. The major corporations and high-income earners, most of whom were appointed to the Senate by the Liberal government, were by and large those who persuaded the federal Liberal government to create those tax loopholes that they could exploit so well and which were paralleled by their provincial cousins here in Ontario in the last 50 or 60 years.

Section 1 agreed to.

On section 2:

Mr. Andrewes: I want to indicate to the Treasurer we will not be supporting this section, principally because it is quite a grab.

In combination with the surtax, it generates \$28 million for the rest of this fiscal year and a projected \$321 million in the next one. It is quite clear what is happening here is that the Treasurer has decided to pick the pockets of every individual in this province who pays income tax and leave less of that discretionary spending he and others in this House have talked about over the years that will cause the kind of economic stimulus he is looking for.

I have heard the Premier talk about that discretionary spending; I have heard the Treasurer; I have heard the former member for Rainy River, who has now gone on to other rewards.

Hon. Mr. Nixon: A fine fellow.

Mr. Andrewes: Yes.

I am concerned that what has happened here is a general grab that has really placed the same type of limits on that discretionary spending for which the opposition was so quick to criticize a former Treasurer, the member for Muskoka (Mr. F. S. Miller), when he broadened the sales tax base. We had those committee hearings and a parade of individuals came in and said they could no longer buy hamburgers and so on. What they were essentially telling us was that the discretion they had and were able to exercise in their spending was now impinged upon by this somewhat difficult tax.

Before the member for Port Arthur (Mr. Foulds) starts to climb all over my back, I know I am probably drawing a bad parallel talking about two types of tax here, but it is the same kind of argument we heard in that discussion.

Once again, I have to speak up on behalf of the beleaguered taxpayers of this province and say

that these individuals who are going to pay the extra two per cent really want to know what they are getting for their money. It is a concern to them that they look at a budget here that is long on rhetoric and short on direct programs.

The Treasurer is going to rise and tell us again about Futures, the renamed youth employment program with a glitzy advertising budget and a busy phone. He will tell us about the new programs for agriculture, for which we are very grateful. In the presence of the minister, I say we are very grateful for the Ontario family farm interest rate reduction program and the tripartite program, but remember they were all part and parcel of the previous government's program.

The Treasurer is going to tell us about hospital funding, how on page 9 of this document the Ontario budget said the total allocation for the operation of hospitals for 1986-87 will be increased by 8.3 per cent: "This increase includes four per cent for the basic allocation for the operation of hospitals and the necessary funding to accommodate additional costs associated with higher demand for hospital services. It also includes provision for new, approved hospital programs, the details of which will be announced by the minister."

We are assuming those are capital programs that hospitals and the ministry have been planning and budgeting for for a number of years and they rolled that figure together to come up with 8.3 per cent. That is getting back to the theory of people wanting to know what they are getting for their money.

We come back to our basic concern that what we see here is a bit of a war chest. We see a windfall gain from the federal government, \$700 million in extra taxes and a rising deficit, but we do not see a lot of programs coming out of that.

I am sure the Treasurer will argue this is a progressive tax. I have heard that discussion before and I tend to agree because it really asks people to pay proportionately with what they have for what they are getting. It does not ask them to use proportionately because that is not part of our system, but it asks them to pay proportionately, according to their means. It is a principle I personally can find somewhat appealing, because it allows people who share in the benefits to share in the costs, and again I stress proportionately.

The Treasurer will argue he has offset the income tax increases with some of these sales tax exemptions, such as the 99-cent pizza at Cortina's in North Bay. We found there was a 99-cent pizza, the best one can obtain in the area. Some

people might agree the effects of the tax increase would have been offset to some degree by tax exemptions if the Treasurer had kept his promise of the \$4 meal rather than the \$1 meal.

Mr. Ramsay: The \$4 pizza is beautiful.

8:50 p.m.

Mr. Andrewes: It is very good, is it? It is not tax free. Only one slice is tax free.

I do not think there is a hope of buying off these same people's concern about \$320 million the Treasury is going to grab out of their pockets without doing a little more in a substantive way than he proposes to do in this budget.

This may not be my final point, but I have asked the Treasurer to respond to this one in particular because this increase appears to be only part of the story. Apparently the province will benefit from the federal government's moves to partially de-index certain tax brackets.

We are told this will enable the federal government to collect more taxes and the province will benefit as well by piggybacking on federal taxation measures. The Canadian Tax Foundation estimates these federal changes would increase Ontario's provincial income tax revenues by \$115 million. These are the kinds of things my colleague the member for Dufferin-Simcoe (Mr. McCague) was getting at earlier. It is a question that remains unanswered.

Hon. Mr. Nixon: The additional revenues from the government of Canada are included in table C2 of the budget, which is the general one showing the revenues from each tax source. The amount in the other table shows the specific additional revenue our tax adjustments will bring about.

I do not want to spend a lot of time responding to the comments of the member; they stand on their own from his philosophical point of view. I believe the sales tax cannot be compared with the income tax and, as a matter of principle, we left it alone.

It is a very attractive source of revenue for a Treasurer. It is so easy to pick up another \$650 million with one per cent. One can say, "It is just one per cent." The point is that it does take money from lower-income and higher-income taxpayers at the same rate and we felt we could not do that. As the member has already pointed out, we have brought forward rather generous and broad exemptions, which we appreciate the member and his colleagues will be supporting.

Mr. Foulds: We will be supporting this section a little reluctantly. The Treasurer gave me a quizzical look with his furrowed brow. I say

"a little reluctantly" because, as I said in my previous remarks on section 1, the increase gives a special increase in revenue that hits low- and middle-income taxpayers.

As far as I can tell, the Treasurer has not addressed the question of progressivity in the income tax in the budget. He has not introduced an enrichment of tax credits for those who are relatively low income earners. I suggest very strongly to the Treasurer that with the increased revenues because of the buoyancy of the economy and all that stuff, the next budget be looked at not so much with respect to lowering or increasing taxes in terms of taxation rates, but with respect to looking at an increase in tax credits for property tax, sales tax, the whole area that actually has some potential for increasing the progressivity of an across-the-board tax increase.

Mr. McCague: Will the Treasurer repeat what he just said, that the \$321 million for 1986-87 in his budget is the increase from 48 to 50 per cent, which is four per cent? A lot of people like to talk about that as being two per cent.

Then he says table C2?

Hon. Mr. Nixon: Table C2 indicates the budget plan for 1985-86 and projects the personal income tax revenue as \$6,777,000,000. This is the net amount that is expected to be refunded to us under the federal-provincial tax collection agreement, not only with our increases here but also with our share of federal increases. It may not contain our share of the minimum tax that was announced just last week.

Mr. McCague: I think this is a fair question: Why did the Treasurer not tell me that when I raised it a month ago? As I recall, this is the issue on which he accused somebody of sending me a brown envelope.

Hon. Mr. Nixon: May I say something before the member continues?

Mr. McCague: Yes.

Hon. Mr. Nixon: The \$6,777,000,000 was our best projection at the time the tables were prepared, about a week before the budget of October 24. Since then there has been an indication that personal income tax revenues will be somewhat more buoyant than the projections that were given to us by the government of Canada, and I have already spoken about that. The number, we trust, will be somewhat higher than that, but it contains our projections at the time.

If the member looks at what was said in the House of Commons about the employment rates,

I think the Prime Minister and a couple of the ministers made it quite clear in responding to questions from their own members that their own federal revenues were more buoyant than had originally been expected. This is a good thing, something that does not fill me with displeasure.

Mr. McCague: I thank the Treasurer for the clarification. What he said is not what any normal person, even one of his own members, would have got out of his statement a couple of minutes ago. However, I now know how to get an answer from him: I will ask one of his members to ask him a question and probably the Treasurer will give him an answer.

Mr. Dean: I want to speak very briefly on this subject, not because I have any great, new blinding flash of inspiration beyond what the people in our party have already so revealingly described to the Treasurer.

By the way, may I inquire whether his eminence is here in the guise of the Treasurer or the Minister of Revenue?

Hon. Mr. Nixon: Minister of Revenue.

Mr. Dean: Okay, I will refer to him as the Minister of Revenue.

Mr. Stevenson: What is this "eminence"?

Mr. Dean: Should I have said "imminence," perhaps? He is about to arrive.

Mr. Barlow: Is it just two cars he drives, or three?

Mr. Dean: Oh, he has three. He has a third one as House leader.

Mr. Barlow: Oh, I see. It is three he drives.

Hon. Mr. Nixon: I just got the reconditioned ordinary car of the member for York Mills (Miss Stephenson).

Mr. Andrewes: They never refer to "his eminence" down at Earl's garage.

Mr. Dean: I do not know what they would say down there; "his evidence," maybe.

Hon. Mr. Nixon: They fixed a flat on that old car this morning before seven o'clock.

Mr. Dean: Might I inquire whether his eminence the Minister of Revenue would stop being a flat tire in the House? We would get along a lot better.

I want to make sure everyone clearly understands that we are not just being handed a piddling little rate increase on our personal income taxes. It will hit us all right in the solar plexus and in the pocketbook. It is a four per cent increase; two percentage points.

I know it has been said before, and it is probably boringly repetitious to the minister, but

there may be some people around who still have not got it through their heads that this is a very large grab. It is four per cent of the federal income tax. I believe the minister already agreed and pointed out that any increase in the federal income tax would automatically produce more here. It is similar to the way the ad valorem tax works.

9 p.m.

This is one of those ad valorem taxes, which are so eschewed by the minister when he happens to be talking about one he does not like, but which is so conveniently useful when there is something worth while going after, such as our income. Our incomes as members and ministers are not any more worth going after than those of the rest of the public. I assume this is going to apply to everybody, except the few who are fortunate and have enough credits that they do not have to pay it.

I am not one of those who objects to being taxed to pay for something we need. Probably a good bit of what is going to be raised by the tax will go to useful services the government is providing, which members of the public cannot provide for themselves. However, I do not like to think of our apparent failure—I say "our" because I hate to say "your" apparent failure to the minister—to make an impression on the deficit, which under our activities had shown signs of decreasing.

The Minister of Revenue will no doubt have an answer for that, but I think this large yield should go at least partly towards decreasing the deficit if we are going to set a good example for the federal government, which certainly needs all the help it can get to reduce its deficit, as well as do other things.

The minister should not look at me like that. He reminds me of my dog when I do something bad and he wonders if he should bite me.

Hon. Mr. Nixon: I will just bark. It is more sanitary.

Mr. Dean: I will join my colleagues on this side of the House in voting against this subsection. I wish it were everybody on this side of the House, but some of them seem to be faint-hearted.

Hon. Mr. Nixon: I can assure the honourable member that if the tax were not imposed, the cash requirements would go up by just that amount. We can say every bit of it will go to reduce cash requirements, if we want to look at it that way.

Another way to look at it that might make the member feel better is that with this \$321 million,

which is made up of the increase in the general rate plus the surtax, reduced by \$10 million for the Ontario tax reduction program—which we are very proud of and which no one has mentioned yet—we expect to provide health services in the province for 14 days.

Mr. Chairman: Are there any further questions or comments on section 2? Shall section 2 stand as part of the bill?

All those in favour will please say “aye.”

All those opposed will please say “nay.”

In my opinion the ayes have it.

Vote stacked.

Sections 3 to 13, inclusive, agreed to.

RETAIL SALES TAX AMENDMENT ACT

Consideration of Bill 47, An Act to amend the Retail Sales Tax Act.

Mr. Chairman: Are there any questions, comments or amendments on sections 1 to 15?

Mr. Andrewes: We would like to make some comments on subsection 3(3). It is the one on the top of page 3 on the exemption that the Treasurer has ruled out on the gold-leaf coin.

The Deputy Chairman: Are there any questions or comments on sections 1 and 2?

Section 1 agreed to.

On section 2:

Mr. Andrewes: Section 2 deals with the individual exemption, am I correct?

Hon. Mr. Nixon: Yes.

Mr. Andrewes: My comment is simply that we expected to see a much broader list of exemptions, given the commitment the Liberal Party made to the province in the last provincial election. We see a list that includes prepared food products that sell for less than \$1, including a slice of pizza. We had a number of daily reminders to the Treasurer about the 99-cent Nixon lunch over the course of the earlier debate on this legislation.

We have an exemption for feminine hygiene products. Hotel/motel accommodation is an exemption that was in place, but this extends it to an unlimited length of time. We have an exemption on children's car seats. Those would be my preliminary comments until we get to the other relevant sections.

Hon. Mr. Nixon: I am sorry. Was there a question there?

Mr. Andrewes: I do not have any specific questions other than to ask, why does the government persist in doing this? Why does it go

around making these promises? I remind my colleagues in the New Democratic Party of those election promises, because I think the answer to my question as to why it goes around doing these things is that it never thought it would be the government.

Mr. Wildman: The Conservatives never thought they would be the opposition.

Mr. Andrewes: The member is right. Here we are. The Liberals are the government, we are the opposition and they are the eunuchs. It reminds me a little bit of the beehive theory.

Mr. Newman: What section is the beehive?

Mr. Andrewes: Any section the member likes.

The queen is looked after by the drones and then there are the workers who do the building of the hive and maintain the cells. When the queen has finished with the drones, the workers sting them and throw them out of the hive.

Here we are, the only legitimate opposition in this House. The Treasurer and the Liberal Party will have to live with the consequences of their election promises, because our job in opposition is to be their conscience in a reasonable and constructive way.

9:10 p.m.

We will therefore support the exemptions in the bill, meagre and cosmetic as they are. I come back to my original question. Why does the government persist in doing these things? There is enough cynicism today about politicians. There is the ever-popular theory that politicians are cheaters and liars in all we do. By persisting in making these kinds of promises, which we have no intention of keeping, we add to that cynicism.

Hon. Mr. Nixon: I want to reiterate what the honourable member must have heard me and my colleagues say. We intend to keep our promises. This is the first budget, just two or three months after the drumming out of the Tory party and the election of the Liberals, and we think we have moved rather effectively to keep the promises we can at this time.

I know the member is aware that the \$1 exemption in prepared food, which he refers to in a somewhat disparaging way, is sufficiently widely used to cost the Treasury of the province about \$36 million and that the implementation of the full \$4 promise would have cost, I believe, about \$170 million. While I wish we could have done it just like that, I think I was probably more responsible than any one of my colleagues for saying that I thought at this time that was a bit

rich, particularly when we were faced with some of the unforeseen and unexpected requirements on our revenues that were left behind by our predecessors. I hate even to mention that, because it is liable to take a few hours to get it worked out in discussion.

The other exemptions were promises, except for the car seat one. That was something we thought was reasonable and rational at this time, and I certainly do not apologize for it. I hope in the future, as our revenues permit, exemptions can be improved in line with the commitments made. However, once again I cannot make any promises for next year's budget, other than that we will continue to do our best to serve the public in a responsible way.

Mr. Andrewes: As unforeseen and as unexpected as the demands on the government's revenues might have been, the Treasurer has had unforeseen and unexpected revenues to meet those demands, as my colleague pointed out earlier. I think he would have to acknowledge that.

I congratulate the Treasurer on the exemption on car seats; it is an excellent exemption. I do not know why we did not think of it, quite frankly. There is every bit of logic to that particular exemption, but how much is it going to cost?

Hon. Mr. Nixon: It will cost \$500,000.

Mr. Andrewes: One other issue I would like to raise with the Treasurer is something called the Queen's Park Letter put out by the Association of Large School Boards in Ontario. The acronym is ALSBO, a familiar acronym, I am sure. It talks at length disparagingly about this Minister of Revenue, the Treasurer, the House leader; it talks at length disparagingly about a former Treasurer, the member for Muskoka. It refers to the seven per cent sales tax on education supplies. I would not want the section that details the exemptions to slip by without bringing some of these comments to the minister's attention.

It says, "Mr. Miller estimated that in the first year of implementation of this action the tax would generate \$25 million." I assume that was back in the spring of 1983, when that tax was first implemented. "The current government's support for the sales tax on education supplies and services demonstrates that the province remains uncommitted to its fiscal responsibility for education." Shame on you.

It goes on to detail all the various flaws in the funding programs that exist between the government and various school boards in the province.

It has this remark: "The sales tax on classroom furniture and equipment, paper, chalk and almost

everything else purchased by school boards causes the local property taxpayer to contribute the purchase price of the items plus seven per cent to be forwarded to the province.

"ALSBO is concerned that Nixon's maintenance of the indirect route to the school board tax base signifies his acceptance of property taxes as a source of revenue for the province.

"It is ALSBO's position that sales tax on all school supplies purchased by school boards must be removed and that the province must resist further encroachment, direct or indirect, on the school boards' tax base."

Finally, it says: "Sales tax is a significant portion of the board's nonsalary operating costs, so boards must borrow money to pay the tax. This means local property taxpayers ante up."

"In 1985, estimated provincial sales tax burden borne by sampling of ALSBO member boards: Carleton, \$914,500; Metro Toronto, \$2,703,000; Peel, \$1,635,000; York region, \$910,000; and Durham, \$600,000." The final note is, "MPPs are encouraged to find out how much money the school boards in their ridings lose to the sales tax payments."

I wonder whether the Treasurer might comment on this issue in the light of the rather enthusiastic approach he and his government took in the past, when they sat where we are now sitting, towards the funding of school boards. Will he comment on the particular allegations contained in this document?

Hon. Mr. Nixon: I think the person hired by ALSBO to write that release makes a good point. I wish we did not have to tax those things. It was introduced by the member for Muskoka when he was broadening the sales tax base. He broadened it tremendously and was responsible for the largest single tax increase in a year in recent Ontario history, probably in all of Ontario history.

I wish we could back down on those things. We have to look at it because we also charge gasoline tax on the fuel city buses use. We charge sales tax on the vehicles they buy, the dump trucks that spread sand on city roads and so on. My own feeling is that I wish they could all be exempt, but the tax cost would have to be borne more directly by individual citizens and at present that balance remains uncorrected. It is one of the few things that did not move towards perfection in this budget.

What I am really saying is there are many of these anomalies and as long as we are here we will be talking about them and trying to remove them or compensate for them in some way. As far

as compensation is concerned, we make substantial transfer payments to the school boards and the municipalities and they were increased this year by a rate greater than has been customary, not dramatically greater but substantially greater. We have also indicated what those transfers will be next year and, in basic principle, the year after.

While the member may say that amount of money is being paid out of property tax, I might say it is being paid out of the transfers and it is out of one pocket and into the other, which does not sound very administratively efficient. It is very difficult to follow the tax dollar through the system.

I simply respond directly to the member's question by saying I wish we could do better in that regard, but it is an extensive process we have inherited where many of the goods used at the municipal and school board level, by conservation authorities and by universities and colleges, are taxed, and I guess they will continue to be for a while.

9:20 p.m.

Mr. Foulds: Which section are we on, Mr. Chairman?

Mr. Chairman: Section 2.

Mr. Foulds: I will wait for section 3 then.

Section 2 agreed to.

On section 3:

Mr. Chairman: The member for Lincoln wants to discuss section 3. Which portion of section 3 does the member for Port Arthur want to talk about?

Mr. Foulds: All of it, starting at the beginning.

Mr. Chairman: I think the member for Lincoln wants to talk about subsection 3(3). Is that correct?

Mr. Andrewes: That is correct, the subsection that deals with the Maple Leaf gold coin.

Mr. Foulds: As I understand it, section 3 deals with the exemption on food products for human consumption; in other words, what the previous speaker was speaking about in section 2.

I want to make a couple of points. The extension of the retail sales tax in 1982 was probably the biggest tax grab the province has seen in a long time, if not ever. What I regret is that this has released only one little pinkie from that grab. The baby finger has been pried slightly loose, in spite of the Liberal promises in the campaign.

Hon. Mr. Nixon: Let us not carry it. Why do the members opposite not vote against it?

Mr. Foulds: The Treasurer should not provoke me. We gave the government confidence this afternoon. That may be all they get today. The Treasurer should not be provocative.

Two interesting facts have come to light. First, as I said during the course of the budget debate and in the second reading debate on this bill, the fiscal pain the Treasurer feels, the \$36 million, in return for his political gain has been unbalanced, because he has not gained much politically.

Most people have made a lot of fun about the raising of this exemption to \$1. The member for Lincoln and his colleague the member for Nipissing (Mr. Harris) refer to the 99-cent pizza, and I have referred to a single ice cream cone scooped out of the bucket. What was interesting, however, was the Treasurer's rationale for not raising it to the full \$4, which would have cost \$171 million, I believe the figure was.

That does seem a lot of money, and it is a lot of money; but if I may say so, if we had increased the surcharge on the personal income tax by a number of percentage points, we could have made up a little ground there. Instead of raising the corporate income tax by 0.5 per cent to compensate for the loss of revenue that was gained because the government gave the large corporations the small business exemption as well, if we had raised the corporate income tax by a full one per cent, we could have had several million dollars there.

In other words, the Treasurer had an opportunity not merely to meet an election promise, which is all the members on my right are interested in, but also to bring some progressivity into the sales tax, which most people call a regressive tax, by raising the exemption to \$4. I suggest he look at that very seriously in the next budget.

I will be supporting this clause because it takes a symbolic step in the right direction; it does not take the step far enough.

I am being fiscally responsible, because I have made suggestions about where the Treasurer could get the revenues, as an alternative. My honourable friend and colleague the member for Beaches-Woodbine (Ms. Bryden) has been advocating an exemption on car seats for children for some number of years.

Hon. Mr. Nixon: Why does the member not give her a standing ovation?

Mr. Foulds: I will; as soon as she enters the House, I will stand and ovate.

The other point I would like to bring for the Treasurer's consideration at this time, and I was reminded of it, is an entirely self-serving argument on my part. I happened to be in downtown but politically enlightened Manitoba a weekend and a half ago; that is, not last weekend but the one before. Much to my amazement, my wife was able to buy some clothing for my 12-year-old son, who happens to be taller than I am and therefore takes adult sizes, without paying sales tax. Is that not remarkable?

We are unable to do that in Ontario when we are genuinely purchasing clothing for children who are large and sensitive to clothes. We have not found a mechanism for exempting that clothing from taxation. It seems to me we could. It is a very simple system. All my wife had to do was sign a little document which said this clothing was purchased for a child. I do not see why we cannot do that in Ontario.

Frankly, I and people such as myself can afford to pay a seven per cent sales tax on our kids' clothes, but there are a great many people in the province who have children who take adult sizes and find that particular sales tax quite regressive. I commend that idea to the minister.

Mr. Chairman: Minister, have you any comments? Is there any other member who wishes to speak to subsections 3(1) and 3(2)?

Shall subsections 3(1) and 3(2) carry? Carried. On subsection 3(3), the member for Lincoln.

Mr. Andrewes: This subsection deals with the famous Maple Leaf coin, which up until this budget had been tax-exempt. I wonder if the Treasurer could tell me how long that exemption had been in place?

Hon. Mr. Nixon: It was granted in 1983.

9:30 p.m.

Mr. Andrewes: I want to refer the minister to this clipping out of Saturday's *Globe and Mail*. The heading is "US Coin, Ontario Tax Threat to Maple Leaf Sales." I will paraphrase some of these comments simply to say that Robert Huot, vice-president of marketing at the Royal Canadian Mint, in a telephone interview from Ottawa said, "It's as if both barrels of the shotgun are loaded and pointed at us." The Treasurer's fall budget "would cause 'gold Maple Leaf sales in Canada to plunge.... Why bother buying a coin if one can get a bar or wafer cheaper?'"

The theory there is that no tax applies to a bar or a wafer of gold. The article goes on:

"A survey conducted by the mint shows that sales will plummet if Ontario's new Liberal government implements the tax. Gold bars,

wafer and certificates, which are not taxed, will be purchased by investors instead.

"Once the buying of gold coins becomes an investment decision versus a novelty purchase"—I am told it is about 70:30 in the balance, and perhaps others who are closer to this subject will correct me if I am straying from the facts there; about 70 per cent of the purchases are made as an investment, about 30 per cent are made as a novelty and it is on the investment side that the tax becomes a consideration—"people won't buy something with a tax on it," said Henry Brehaut, president of the Ontario Mining Association."

The article goes on to talk about the impact of a similar coin the United States has put into circulation in an attempt to gain a greater share of the world gold market in competition with the South African krugerrand, which the US has now banned from the country. Their purposes in seeking this greater market share are somewhat less predatory in the marketing of their coin, but it still appears to be a threat.

"The US coin was originally proposed as a means of taking market share away from the krugerrand, thus dealing a blow against apartheid in South Africa. The recent US ban on the importation of krugerrands"—as I said earlier on in these discussions, because I am no longer reading, I want to quote directly from this article only when it appears propitious to do that.

The article goes on to quote Mr. Huot and Mr. Brehaut again and then says:

"The Ontario sales tax would hit a province that generates 50 per cent of Maple Leaf sales in Canada. Forecast figures show that about 90,000 troy ounces of the coins will have been sold in Ontario by the end of this year." We assume the 50 per cent sold by other provinces remain tax-exempt. If I am wrong, I am sure the Treasurer will correct me.

It goes on to quote a Treasury spokesman, James Vincze. Is he hiding under the gallery somewhere? No, not tonight. He says:

"The coin will do as well with the tax as without it. And the minister felt the sales tax exemption had reached its objective." The article adds, "That objective was to stimulate Maple Leaf sales in the province."

The exemption "was also approved because this fall an arbitration panel in Geneva found Canada had violated international trade rules when Ontario gave the Maple Leaf gold coins exemption from the provincial sales tax."

That is the part I have some concerns about, because the same government reacted very

quickly to remove South African wines from the shelves of the Liquor Control Board of Ontario, and yet it caved in very quickly to the same kind of pressure from South Africa on the krugerrand.

I am quite aware of the power of the General Agreement on Tariffs and Trade, and I am quite aware of the legality of the arbitration panel. Before the member for Kent-Elgin (Mr. McGuigan) gets too enthusiastic, I remind him that other products sold in Ontario enjoy a similar benefit to what the gold coin enjoyed against the krugerrand, the most notable of which are Ontario wines. The Treasurer maintains a preferential markup for Ontario wines as opposed to wines from foreign nations.

Before I move away from the issue of the GATT panel and the Treasurer's response to that panel, I want to say this. If the Treasurer is prepared to accept the panel's decision on the gold coin, what do I tell the grape growers in my riding? What does the member for Kent-Elgin tell the grape growers in his riding, the member for St. Catharines (Mr. Bradley) in his riding or the member for Brock (Mr. Partington) in his riding? What do we tell those grape growers about the preferential markup now in place for the Ontario wine industry?

Hon. Ms. Caplan: What does that have to do with this?

Mr. Andrewes: Coming back to the subject at hand, so the Chairman of Management Board does not have to draw my attention to the fact that I may have strayed a wee bit from that subject, I want to give a little background on the gold and mining industries.

Hon. Mr. Kerrio: What gold and wine? It is the same thing.

Mr. Andrewes: There is no relation. As the minister will know full well, the total value of minerals mined in Ontario in 1984—and his colleague the member for Cochrane North (Mr. Fontaine) will want to pay attention to this as well—amounted to \$434,207,000. This information comes from no better source than the Ministry of Natural Resources, an unquestioned source, I am sure.

The first two stages of the mineral industry employed 37,000 men and women in 1983, and there was a very significant increase in exploration activity in Ontario in 1983 and 1984. I want to refer more specifically to the employment figures and the wages and salaries paid to the sector that comes under the category of gold-quartz mines. In 1983, that sector employed 3,578 people and those people received \$98,282,696 in wages.

Coming back to this article, I checked with one or two knowledgeable people in the industry. They tell me the article makes sense. Common sense dictates that in regard to sales of the coin, investors in bullion, wafers and other types of gold standard will simply go and buy these other products rather than the gold coin.

9:40 p.m.

I mentioned we had a 70:30 relative split between investor purchases and novelty purchases. The tax exemption on the Maple Leaf coin was an attempt to give it some advantage over the krugerrand. We understand the krugerrand is currently not being produced but is still very much in circulation. At one point, this 70:30 ratio that we understand exists now came about as a result of fairly heavy advertising on the part of the industry to boost sales to those levels.

I want to give members a couple of other thoughts on this subject before I listen to the minister's comments. This article is the 1984 annual report of the Ontario Mining Association. This is the report of the executive director Patrick Reid.

Mr. Foulds: Who?

Mr. Andrewes: Patrick Reid. Members will remember him as the former member for Rainy River representing the Liberal-Labour party. In this article, Patrick Reid talks about the industry very eloquently. If I might read quickly from one paragraph:

"The Ontario Mining Association believes strongly that it is essential, however, that these gains"—and these are economic gains within the industry—"not be viewed by different levels of government as opportunities for increasing tax burdens either by direct or indirect taxation. All productivity gains will be wiped out and the industry will cease to be internationally competitive unless governments fully understand the implications of punitive tax policy." So says Patrick Reid, executive director of the Ontario Mining Association.

I would not question that authority, nor would the minister, I am sure.

Mr. Foulds: The member always did when he was in here.

Mr. Andrewes: I never did. I got along very well with the former member for Rainy River, as I do with the current member for Rainy River (Mr. Pierce).

I want to touch briefly on an article of November 4 in the Financial Times. It is headlined, "Mining Faces Year of Unsatisfactory

Improvement," with the subheading, "Firms' Financial Results Reflect Poor Outlook."

Hon. Mr. Kerrio: Who wrote that?

Mr. Andrewes: This is written by Eric Reguly of the Times staff. That is the Eric Reguly.

Hon. Mr. Kerrio: Is he a Republican or a Democrat?

Mr. Andrewes: I expect that he is a journalist.

Hon. Mr. Kerrio: What about before he was a journalist? The member told us what Patrick Reid was before.

Mr. Andrewes: Prior to this? He was probably a researcher for the Liberal Party.

I touch briefly on this article because Mr. Reguly says that for any sort of real turnaround, mining needs industrial production increases of about five per cent. "Analysts say in the second half of this year and well into the next year, OECD growth will fall to three per cent or so. Next year will be a year of improvement, but it will still be an unsatisfactory year."

That is a direct quote from analyst Tom Byrne of Toronto-based McLeod Young Weir Ltd. Members know that company well. The Chairman of Management Board (Ms. Caplan)—

Hon. Mr. Nixon: Some of my best friends work for McLeod Young Weir.

Mr. Andrewes: Yes. Towards the end of this article, it talks specifically about gold. "No great improvement is expected in the precious metals side either." It is a prediction by another noted authority whose name I cannot pronounce, so I will not bother. He predicts: "Gold will average US\$316 an ounce in the first nine months of 1985 and will weigh in at \$350 an ounce or more next year. At that price, virtually all gold producers are making a profit, but certainly not a fortune."

Finally, I refer specifically to one other piece of information which comes out of another unquestioned source, the Ministry of Natural Resources. Members will never know where I got this.

It says the demand for metals in general is likely to rise less than average industrial output, but gold in particular is the bright spot in Ontario. The minister will be aware of that, as will his colleague the member for Cochrane North. Between these new mines—and we are talking about three new Hemlo gold mines and mills that opened in 1984 and the one at Detour Lake—and expansion of existing mines, Ontario gold producers' capacity will double. Staking and exploration is taking place at Sturgeon Lake, Geraldton, Sioux Lookout, Beardmore, Tim-

mins and Kirkland Lake, as well as at Cameron Lake in the greater Hemlo area and Wawa.

All the predictions are hedged with such hopes as that, first, South African production will fall off; and second, inflation is not controlled. That is a concern.

The 1985 low to date was \$284.25. If there is no recovery to or beyond the \$400 or \$420 level for several months, exploration activity in northern Ontario is likely to decline.

I will conclude my brief comments there. I know some of my colleagues have additional words they might wish to add.

Hon. Mr. Nixon: I listened with attention to what the honourable member has been saying about the section that would impose the seven per cent sales tax on Maple Leaf gold coins.

His description of the General Agreement on Tariffs and Trade situation is not far off the mark. We were instructed by the government of Canada, the Honourable James Kelleher, Minister for International Trade and member for Sault Ste. Marie, not far from the gold area, that we had to do something to avoid a GATT judgement against Canada. Ontario is not a signatory of the GATT treaty but Canada is and, as a province, we are certainly supporting the concepts of GATT.

In this instance, since the complainers were from South Africa, while that did not please us very much, it still meant the GATT panel was about to reach a very expensive decision against us. The honourable member, having been in the ministry previously, was probably aware of the actions of GATT both in this product and in wine and other things. Since his government took no positive and effective action in those days, many of these things were precipitated on us and it was our judgement that, in response to the direction of the Minister for International Trade, we had to take some positive action.

I might as well tell the member that krugerrands were still very much in the market at that time. The alternative was to take the sales tax off them, which I was not prepared to do. Also, the removal of the sales tax, which the honourable member pointed out was an initiative of his government, assisted the Maple Leaf coins to establish a market niche, which has grown quite large in Ontario, Canada, the United States and around the world. It is a very attractive coin. It should not be considered something one can buy the groceries with, even if one buys a lot of groceries. I do not think it is designated as money one can buy and sell with. It is a beautifully minted piece of gold.

I was assured it would not interfere with the sale of gold mined in Ontario in any way, in spite of the extensive information read into the record by the member. I felt it was only appropriate to apply the sales tax. I would like to have somebody give me a couple of those coins for Christmas, but if they have enough money to buy them for me they should be asked to pay the seven per cent tax. So I did not have any bad feelings about that.

9:50 p.m.

By the way, there has been no complaint from the gold mining community whatsoever because, as the member pointed out, people can buy wafers or chunks of bullion if they want to invest in that rather nonproductive source of savings; although many people have made a lot of money out of it, including gold miners and investors in gold mines. It is a very important part of our economy.

We have announced that we are removing the old regressive, stepped tax in the mining community that was imposed by my predecessor about five back, the Honourable John White, that I think has been a drag on development of the mining industry in this jurisdiction for a decade and longer. We have said we are going to remove it and replace it with a simply applied flat tax of about 20 per cent.

There are certain other aspects of that tax that are under review. My honourable colleague, the northern caucus of the Liberal Party, has undertaken to review it. The members know he has the facility of commanding the attention and confidence of northerners, particularly miners. There have been no complaints about this.

It is not a big revenue producer. I must admit that the tax on gold coins is not big. I think it will return us \$3.5 million in a full year. I do not think there is a problem. It did get the General Agreement on Tariffs and Trade problem off our back just before it made a finding against Canada, which I can assure the members would have been not only embarrassing but also costly.

I do not have the energy at this time to respond to the other matter the member raised having to do with GATT problems about wine. If there were ever an enigma and a conundrum in a ravelled-up ball of wax, that is it. We may have to retain Robert S. Welch, former QC, to assist us in unravelling it because it is a colossal balls-up. GATT is not about to; it currently is empanelling a panel. Is that not what one does with panels?

This is extremely costly because the panel members are selected from around the world to

go, with all their expenses, to Geneva at \$300 or \$400 a day to contemplate the awful thing that is happening in the Niagara Peninsula, where it is alleged our farmers have a small advantage over their competing wine producers from Alsace-Lorraine and other areas.

This panel is going to work for \$300 a day, plus, plus, plus, in Swiss francs. One can imagine they are not going to be very quick in coming to a conclusion, but when they do, there is an off chance they may find that we are violating GATT agreements. That is a bad thing and we do not want it to happen.

We are contemplating what is sometimes euphemistically called the final solution, but so far I have not cast my vote in that direction because we all respect and admire the wine industry and all associated with it, all the friends of the member for Lincoln who have persuaded politicians properly at all levels to give most earnest and careful consideration to this difficult problem.

I am confident that in the fullness of time we will have a rejuvenated wine industry continuing to sell one of the best products anywhere in the world at a price that is attractive to our sophisticated consumers.

Hon. Ms. Caplan: In the corner stores.

Hon. Mr. Nixon: In the corner stores; that is right.

We are also going to get GATT off our back. Even the President of the United States is on the verge of informing Congress that the bit of wine we sell here is somehow unfairly in competition with New York and California wines. If he informs Congress of that, we do not want that to happen either. It is a very delicate matter and only a sensitive government such as the one now in charge of the affairs of the province can possibly keep these balls in the air.

Mr. Foulds: I want to speak briefly on subsection 3(3). I believe the arguments put forward by the member for Lincoln on this clause are a load of codswallop.

Mr. Andrewes: What?

Mr. Foulds: I think that is parliamentary for a word I cannot use that is more familiar to farmers than it is to an urban dweller in northern Ontario such as myself.

However, we do not make gold coins in Ontario; we mine gold. It does not matter whether the gold we mine goes into wafers, bars or coins as long as the price of gold is sufficient for the miners to mine it.

It really does astound me that a Treasurer who could slap a sales tax on feminine hygiene products could exempt gold coins from it. It really does amaze me that the present official opposition was able to slap sales tax on kids' candy, on chocolate bars and on essential items like feminine hygiene products and exempt the gold coin, aside from all the international arguments the former Treasurer put forward.

If one reads the articles the member for Lincoln quoted, they have no direct bearing on the gold coin. The phrasing was very careful, particularly by the executive director of the Canadian Mining Association. Actually, it was more careful than his phrasing was when he was a member of this House. If one looks at it very carefully, he said, "As long as it does not inhibit mining activity." I suspect the member for Lincoln is about to pass the article to me for my contemplation, which I will do later.

I would point out that the tax on gold will not inhibit the sale of Canadian gold coins. Although this article indicates that there may be a downturn in Canadian sales, I have read articles that said not only that the krugerrand is effectively dead but that the Canadian gold coin has established its place in the world market and a piddling little tax by this province will not inhibit its sale.

Mr. Harris: As a northern member who is concerned about development in the north, about the mining industry and about any move in the direction of constraining that industry, whether by a small amount or by a large amount, I would be remiss in representing my constituents in Nipissing if I did not speak on this subject.

As members know, we are not directly involved in the mining of gold in my riding, although we have had little flourishes of staking here and there, and there is some activity at a property called Golden Rose, which is actually just outside my riding. It is in the riding of—

Mr. Rae: Is gold so fragile that a seven per cent tax is going to knock it out? Give me a break.

Mr. Harris: Listen, Golden Rose is not creating quite the excitement on the Vancouver Stock Exchange as Golden Hope and others these days. The property is actually in the riding of the member for Sudbury East (Mr. Martel), but it impacts tremendously on my riding, because the main road into the property comes through my riding.

In fact, when this property comes on stream, some funds probably will be required for the development of further roads into the property from my riding. I know the Minister of Northern Development and Mines will not cast aspersions

on me, as he has on others, and will look favourably upon access to this road through the village of Field and the very small unorganized township that we call River Valley.

10 p.m.

River Valley is known now as a tourist area. There is a significant tourism value found there. The roads are not quite what they should be to enhance the tourism values there. They could be improved. The gold mining development that is taking place in there with a company called Golden Rose is very important to my riding and to my area.

The Treasurer (Mr. Nixon) might argue that the tax on the Canadian Maple Leaf coin is one of principle. He talks about the General Agreement on Tariffs and Trade and about the principle of living up to the GATT obligations. Let us go strictly to the principle and then we will get to the money, because \$3.5 million is a lot of money. It is a lot of money to the member for St. David (Mr. Scott) when he talks about the difficulty of getting funds from the Treasurer for the judicial system in Ontario and when we talk about facilities for the judicial system, projects such as the Nipissing courthouse.

When we are talking of facilities such as the Nipissing district courthouse, \$3.5 million is a lot of money. When we are talking about lakefront development in a town in northern Ontario, such as North Bay, \$3.5 million is a lot of money. It is not fair and it is not becoming. I do not think the Treasurer is the member I used to know when he says \$3.5 million is a piddling amount of money.

I want to come back to what \$3.5 million is after I talk about this principle, this great GATT principle the Treasurer has seen fit to put forth in the argument. It is almost as though he was forced to impose this seven per cent tax on the Canadian gold coin. The member for—all I can remember is flooding, lack of automobiles and what not; I never get the riding straight, but I will get it—Essex South (Mr. Mancini) says it was forced on the Treasurer and that he had no choice in this matter.

If members want to talk about principle, I do not mind talking about principle for a while. If the Treasurer feels it was forced on him, I have to stop and think of what country in the world would possibly have been concerned about the GATT implications. I come to South Africa. I wonder why we are so blooming concerned about the concerns of South Africa. I wonder whether we want to talk about the mining industry in South Africa, about employment practices in South

Africa, about fair competition, about how they get the gold out of South Africa, about how much they pay the miners and about who are the citizens of South Africa who are being disadvantaged in the mining activities.

I know those people are really concerned when it comes to their own interests, but all of a sudden they are concerned about GATT and about South Africa, complaining—

An hon. member: No, we are not. We never mentioned that. Let me get back to my seat.

Mr. Harris: Get into your seat if you want to interject.

Who else? I want to know whether there is somebody, if there is another country other than South Africa, that is concerned about the GATT implications of our not charging the seven per cent sales tax on the Canadian Maple Leaf gold coin. In fact, the tax is charged on the krugerrand that comes from South Africa. Perhaps the government knows of another country involved in GATT that is concerned.

Hon. Mr. Nixon: The only other country is Canada. We did not sign GATT. Canada did. It was Kelleher, your buddy from the north.

Interjections.

Mr. Chairman: Order. Will the Minister of Revenue (Mr. Nixon) and the Minister of Natural Resources (Mr. Kerrio) please stop their interjections. It might also be a good time to say to the member for Port Arthur that because he has taken his seat, it does not automatically mean he can interject.

Mr. Harris: There may be some other country that has complained to GATT, but I doubt there is. I assume it is South Africa. When we are talking about principle, I wonder why Ontario is so concerned about South Africa and its practices.

Mr. Wildman: It is Mr. Kelleher they are concerned about, not South Africa.

Mr. Harris: I do not answer to Mr. Kelleher. I answer to the people of Nipissing and I answer to this Legislature. It is this Treasurer who appears so concerned and who says he was forced into imposing this seven per cent tax.

Mr. Foulds: The federal Conservatives also thought it was a good idea.

Mr. Harris: It may wash in Port Arthur, Sudbury, Nickel Belt and those ridings, but it does not wash in Nipissing.

Mr. Foulds: Is that where they mine gold?

Mr. Harris: Since the member seems concerned, no it is not where they mine gold. I will

tell the member why I am concerned. It is true that we have no gold mines in Nipissing, but we have many companies in the riding of Nipissing that depend on the mining industry.

The only game in town in the mining industry right now is gold mining. Everybody else is cutting back or facing noncompetitive prices. They are facing competition that in some cases is subsidized by governments that do not deal in hard currency or they are facing competition from countries such as South Africa, where there are very questionable labour practices supporting the industry, the gold that is mined and the gold krugerrand.

Nipissing riding is very dependent on the mining industry. Many of the contract drilling companies in my riding such as Longyear Canada Inc.; engineering companies such as J. S. Redpath Ltd., Du Pont Canada Inc. which sells explosives to the mining industry, The Craig Bit Co. Ltd. which is active in there and many smaller companies that set diamonds are very concerned about what happens in the mining industry.

Pilot Diamond Tools Ltd. is a company which carried on from the foundations of R. J. Minogue and Co. Ltd. This company started in North Bay and was very instrumental in diamond bits. On the death of Mr. Minogue, H. Norman carried on and started a company called Pilot Diamond Tools, which employs many people in my riding. They are all very concerned with what happens in the mining industry.

To keep a country such as South Africa happy, we do not understand why we have to impose a further tax on gold coins, which affects the mining industry throughout Canada and especially here in Ontario. I get into some difficulty when I hear the Treasurer talking about paralleling what is happening around the country. I have not noted that the Maple Leaf gold coin is taxable in Quebec. There may a different relationship with Mr. Kelleher in Quebec to what there is in Ontario. If there is, it is not one I know about.

10:10 p.m.

It bothers me that this Treasurer feels it is important that we tax the Maple Leaf gold coin in Ontario. If it is not, the Treasurer may make some argument that it is not to comply with GATT, because of Mr. Kelleher or because South Africa is complaining. We may just talk about the \$3.5-million grab the Treasurer wants, which is a lot of money. It is a lot of money to any individual, a lot of money to any company and a lot of money to any government.

I will not bore the House with why I object to any tax increase, but I am not comfortable with the way the government is spending the money. I have been through the arguments several times. I refer the members to Hansard for those arguments and I make them again in that way.

I was concerned when, about 10 minutes ago, I heard the Treasurer state to this Legislature that it is a piddling \$3.5 million. I am sure his colleague sitting behind him, the member for Kitchener-Wilmot (Mr. Sweeney), would be delighted to have an extra \$3.5 million in his budget. It is not a piddling amount to him.

Hon. Mr. Sweeney: It is going right into my budget.

Mr. Harris: I am sorry. If I had known it was a tax dedicated to his ministry, I might have had some sympathy. If the member for Kitchener-Wilmot, the Minister of Community and Social Services, is now telling me this is a straight dedication tax to his ministry, I am far more impressed with what this tax does. I am also impressed with his influence in cabinet because it would be the first dedicated tax we have seen directly.

Notwithstanding that the Minister of Natural Resources will be trying to make the case very strenuously over the next year to get him off the hook of how he can dedicate the tax for the residents' fishing licences in Ontario, if he is able to achieve the dedication of that tax directly into his ministry and if he is able to achieve within his ministry a direct dedication of those funds into fisheries, he may extract himself off the hook from attacks and from a position I can tell him will be very unpopular with many of the people in Ontario.

I suggest he might want to make claims on this \$3.5 million that the Treasurer is going to bring in by acceding to the request of South Africa that for some reason or other we are not treating South Africa fairly. That is probably one of the most contemptuous things the residents of Nipissing will have to deal with, if that is the case that is being made by the Treasurer.

I oppose the move in this bill to slap a tax on a struggling industry, as exciting as gold is to many people and as much as many people feel that those who are involved in gold are somehow or other wealthy. In fact, those involved in gold at this time in the history of Canada and Ontario are in a very risky business. They are in a very fragile market.

I am sure the Minister of Natural Resources could comment on the very difficult decisions facing Detour Lake at this time in its history.

While seven per cent might not seem a lot on the Maple Leaf gold coin, and it is only one of the markets that Detour Lake would be searching for to take its gold products to, it is a very critical point. I am sure the Minister of Natural Resources would confirm that, if the Treasurer were to give him the opportunity. They are facing very crucial decisions. Every penny and every little influence can tip the balance on a major decision as to whether they will go underground for the next phase of the gold extraction planned at Detour Lake.

Mr. Chairman: I draw the member's attention to the clock. It is 10:15 p.m. and the time has come for the stacked votes.

Mr. Harris: Mr. Chairman, I appreciate your drawing my attention to the clock. Are you suggesting I adjourn the debate and be prepared to start again another day?

Mr. Chairman: No. Just be seated. By unanimous consent, we have stacked the votes.

10:25 p.m.

CORPORATIONS TAX AMENDMENT ACT (continued)

Mr. Chairman: Mr. Andrewes has moved that subsection 33a(1) of the act, as set out in subsection 17(1) of the bill, be struck out and the following substituted therefor:

"(1) Where a new employee is hired, 25 per cent of the salary of that employee may be deducted from the tax payable by the corporation hiring the employee if the corporation is eligible to claim and has claimed, with respect to the taxation year, a deduction under section 125 of the Income Tax Act (Canada)."

The committee divided on Mr. Andrewes's amendment, which was negatived on the following vote:

Ayes 38; nays 63.
Section 17 agreed to.

Mr. Chairman: Shall the bill be reported without amendment?

All those in favour will please say "aye."
All those opposed will please say "nay."
In my opinion the ayes have it.
Bill ordered to be reported.

INCOME TAX AMENDMENT ACT (continued)

The committee divided on whether section 2 should stand as part of the bill, which was agreed to on the following vote:

Ayes 63; nays 38.

Section 2 agreed to.

Mr. Chairman: Shall the bill be reported without amendment?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Bill ordered to be reported.

On motion by Hon. Mr. Nixon, the committee of supply reported two bills without amendment and progress on another bill.

The House adjourned at 10:31 p.m.

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Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Tuesday, December 17, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, December 17, 1985

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

EMISSION DISCHARGES

Hon. Mr. Bradley: Today I am pleased to announce the boldest initiative against acid-rain-causing emissions ever undertaken in North America.

This government's program requires our four main producers of acid-rain-causing sulphur dioxide to reduce their emissions from the 1980 level of 1,933 kilotonnes to a maximum of 665,000 tonnes of sulphur dioxide by 1994. That is a reduction of 67 per cent. The affected sulphur dioxide sources are Inco, Ontario Hydro, Falconbridge and Algoma Steel. We have applied a stringent yet realistic regimen requiring staged sulphur dioxide decreases for each company.

In addition to Inco's announced reduction to 350,000 tonnes in 1994, our government is requiring further cuts. Inco's permitted sulphur dioxide emissions are reduced to 685,000 tonnes immediately from 728,000 tonnes currently. A limit of 265,000 tonnes has been set for 1994. We have also set an objective of 525,000 tonnes for 1990 and a further objective of 175,000 tonnes as a goal for 1994.

We have asked Inco to study and report regularly on the means of reaching the limit set for 1994 and these other levels, including the economic and technical feasibility of achieving them and the extent of government financial assistance, if any, that may be required to achieve them.

Sulphur dioxide emissions from Ontario Hydro will be cut from a 1984 level of 444,000 tonnes to a legal limit of 175,000 tonnes in 1994. This is significantly below the 260,000-tonne target set by the previous government.

Falconbridge has enjoyed a good record of reducing its sulphur dioxide emissions from its Sudbury smelter to the current emission limit of 154,000 tonnes per year. We are requiring that the company further reduce its emission levels to 100,000 tonnes per year by 1994.

The Algoma Steel iron ore sintering plant in Wawa operates within a Ministry of the Environ-

ment control order that limited its emissions to 285,000 tonnes per year. Our new regulation reduces Algoma's allowable limit to 180,000 tonnes annually and further reduces its sulphur dioxide emissions to 125,000 tonnes per year by 1994.

This abatement program is called Countdown Acid Rain and takes effect immediately. Under the program, all four emitters will be required to submit regular reports to outline the steps being taken to attain their sulphur dioxide emission limits. They have all been given until 1994 to complete acquisition and installation of necessary pollution abatement measures or new, less-polluting technology. It will take them that long to do a proper job without adversely affecting our economy, but each company knows its schedule.

We have engaged in intensive meetings with senior corporate executives to determine how this program will be put into practice. To their credit, they are taking the abatement program very seriously and clearly understand their environmental responsibilities. They realize we mean business when it comes to reducing acid rain. We are demanding a lot from them. However, we are confident they will come through, for the environment and for the people of Ontario who work and play in it.

The countdown on acid rain in Ontario has begun. This watershed program marks the turning point in the restoration to health of Ontario's dead and dying streams, lakes and forests. With Countdown Acid Rain, Ontario has now done its full share, and then some, to abate the acidic emissions that threaten our sport fish, timber stands, crop lands and historic public buildings.

However, the Ontario effort, and the entire Canadian abatement commitment of which it is part, will not by itself save our vulnerable environment and the thousands of jobs that depend on threatened renewable resources. Half of all the acid rain ravaging Ontario's environment originated in the United States. The effect of Ontario's acid rain production on US states pales in significance in comparison to the devastation created by US acid gas emissions.

Ontario sources are responsible for acid rain that falls on New York's Adirondacks and New England. By 1994, our programs alone will reduce total acid loading in those US areas by seven to eight per cent.

I urge the United States to face up to its responsibilities, as Ontario is doing today, before it is too late. It is imperative that our neighbours now implement stringent pollution standards to compel their industries to reduce their acid-rain-causing emissions drastically.

Countdown Acid Rain is sending a tough, direct message to the United States. Ontario is no longer just talking about acid rain. We are acting responsibly and decisively. We hope our program will assist Canada's acid rain envoy, Bill Davis, in his efforts to convince our American friends to do their part.

This program will not be cheap for the four major acid gas emitters. It will cost several hundreds of millions of dollars. However, there will be federal and provincial assistance available in cases of demonstrated need. The alternative to Countdown Acid Rain—all talk and no action—is far costlier.

INJURED WORKERS

Hon. Mr. Wrye: On the occasion of the last increase in workers' compensation benefits in July 1985, I indicated that it was the intention of this government to undertake an examination of the implications of permanently indexing workers' compensation benefits and, as part of that examination, to consult with the various interested constituencies.

Later today I will be introducing for first reading a bill that is the result of those endeavours. It reflects the commitment of this government to injured workers. The bill enshrines permanent indexation and implements an immediate increase in benefit levels as a transitional measure. In addition, it will grant a substantial increase in survivors' benefits for claims that originated prior to April 1, 1985.

2:10 p.m.

The bill establishes January 1 in each year as the adjustment date for workers' compensation benefits, utilizing an indexation formula based on movements in the consumer price index over the 12-month period ending the previous October. This will ensure that injured workers and their families will be protected from the hardships caused by inflation.

The indexation principle will be extended to all monetary amounts set by the act, including the covered earnings ceiling, the lump sum pay-

ments for surviving spouses, clothing allowances and the minimum allowance for burial expenses.

January 1 was selected as the adjustment date largely because it coincides with the effective date of each year's new tax tables used to establish a worker's net earnings for purposes of computing benefit entitlement. As a consequence, a transitional step is required to move from the customary July 1 date for benefit adjustments to a new January 1 date.

The six-month period in question will be bridged by adjusting benefits with reference to the rise in the consumer price index over the most recent six-month period for which data are available, namely, the period from April to October 1985. This approach is consistent with the method proposed for the long-term annual indexation of benefits and yields an adjustment factor of 1.7 per cent.

In addition to the 1.7 per cent increase, all survivors' benefits paid in respect of deaths which occurred prior to April 1, 1985, will be increased by a further 10 per cent. As a result of the total increase of 11.9 per cent on a compounded basis, the pension for a surviving spouse will rise from the current level of \$641 per month to \$717.28, and the dependent child's allowance will change from \$179 to \$200.30 monthly.

The 10 per cent adjustment has its origins in the discrepancy in treatment of new and pre-existing survivors' claimants as a result of Bill 101. While claims arising on or after April 1, 1985, were subject to the more generous provisions of the new dual award scheme for survivors, earlier claimants remained on the previous flat-rate survivors' benefit scheme. In effect, the latter group derived no direct benefit from Bill 101.

It was estimated, at the time Bill 101 was introduced, that a gap of about 13 per cent existed between the flat-rate survivors' pension and the average pension to which the same recipient would have been entitled under the terms of the new earnings-related survivors' pension scheme. The gap was reduced by three per cent in July 1985, when the present government awarded to the claimants in question an average eight per cent benefit adjustment, compared with the general increase of five per cent.

The 10 per cent increase that will now be awarded closes the gap completely in one step, rather than doing so on a gradual basis. There is no justification for waiting any longer to provide justice to this group of survivors. In future, all survivors' benefits, whether under the old or new

schemes, will be escalated in accordance with the general indexation provisions I have outlined.

Finally, the amending bill contains a number of housekeeping changes unconnected with indexation, the most significant of which involves removing employees of the Workers' Compensation Appeals Tribunal from coverage under the Workers' Compensation Board superannuation fund, thereby placing them within the public service pension scheme. Since the tribunal is totally independent of the board, there is no justification for inclusion of its staff members under the board's superannuation plan.

Automatic indexation is a reform that is long overdue. Every year since I first became a member of this Legislature, there has been a debate on the appropriate level of that year's WCB benefit amendment and every year the two opposition parties have berated the government of the day for its failure to move to formal indexation.

The measures being proposed by the present government will ensure that injured workers will no longer have to worry about whether and to what extent their benefits will be adjusted. In future, all claimants will be assured, as a matter of statutory right, of an annual adjustment which takes into account the effects of inflation.

The pain, the loss, the disruption and the disorientation caused to a worker and his or her family by a disabling injury is suffering enough. We should never add to this suffering the indignity of having to come cap in hand to the steps of the Legislature angrily demanding merely the protection of compensation benefits from the annual rate of inflation. From this day forward, injured workers will never again be in that humiliating position.

[Applause]

MASSEY-FERGUSON

Hon. Mr. Nixon: I am afraid my statement is not going to elicit much of an ovation. I would like to provide some information to the House about a proposed restructuring of Massey-Ferguson.

As the House is aware, in 1981, the previous government of Ontario purchased \$75 million of Massey-Ferguson preferred shares from a group of Canadian banks pursuant to a guarantee agreement. Coincident with Ontario's investment in Massey's preferred shares, three things occurred: the company ceased paying dividends, the former government wrote the value of its \$75 million of Massey shares down to zero on the province's books and there were significant

recurring layoffs at the Brantford combines plant.

Further, for those in the House who may be thinking the Massey investment has produced large employment benefits, let me advise them that the then Minister of Industry and Tourism negotiated job commitments at the 6,100 level. These were never attained, unfortunately, and there have been recurring layoffs. When in operation, recent employment levels have approximated 1,200 workers. At present, only 275 people are employed.

As for the proposed restructuring, I wish to inform the House that officials of the Ministry of Industry, Trade and Technology and of the federal government, which is also a preferred shareholder—for \$125 million, as I recall—have been involved in detailed negotiations with Massey during the past 10 weeks. Ontario has had a twofold objective in these discussions: (1) to ensure the long-term jobs of the Massey workers in Brantford, just as our predecessors did, and (2) to try to recoup a portion of the government's \$75-million investment in the company. Neither of these objectives will be accomplished easily, given the depressed state of the North American combine harvester market and the resultant financial impact on Massey's earnings.

In 1979, the North American sales of combine harvesters were 40,000 units. This year, in 1985, we estimate unit sales of 10,000. Further complicating this situation is the fact that industry production capacity has remained in the area of 50,000 units, resulting in severe price discounting of combines.

This situation is clearly reflected in Massey's nine-month earnings release, which indicates the company's combines division lost approximately \$35 million during that period. As many members of the House are aware, Massey closed its Brantford operations in November to reduce inventories.

It is our view that the failure of Ontario to participate in the company's proposed restructuring would force its creditors to protect their security positions by requiring the permanent closure of the Brantford plant to eliminate these heavy losses. While the restructuring deal itself is complex, the government's options are quite simple. If the restructuring does not proceed, the combines division may close permanently. If the restructuring does proceed, the combines operation will have a chance to survive. The Ontario and federal governments have elected to give

Massey and its Brantford workers this chance to survive.

Yesterday, Massey released its third-quarter financial results as well as a brief statement concerning the restructuring. While I am somewhat limited in the specific details I can provide at this time until the final agreement is accepted by all participants, including creditors, I am prepared to offer the members of the House general information about Ontario's position in the matter. Some of the elements of the proposed restructuring plan are as follows:

Massey's combines division will become a privately-held, separate company, with Massey retaining 40 per cent ownership. The balance will be held by lenders and other interests.

The new combines company will be recapitalized and called Massey Combines Corp.

Lenders to Massey Combines Corp. will offer the company low-interest, long-term loans to strengthen its cash-flow position.

All combine-related activities, including research and development, will be centralized in Brantford. Some marketing and parts functions currently operating out of the United States will be moved to Canada. It is expected this will result in the transfer of 240 jobs to the Brantford facility.

The company's break-even level will be reduced significantly, with the result that it will be able to sustain itself even in today's depressed market.

The recapitalization of the combines company will provide sufficient internal funding to cover the significant short-term operating losses which are expected, as well as the one-time costs of rationalizing and centralizing operations in Brantford.

2:20 p.m.

Let me briefly make the House aware of what role Ontario and the federal government are being asked to play in the proposed restructuring. As I stated at the beginning, the province currently holds three million Massey preferred shares with a liquidation value of zero. Under the restructuring, Ontario will transfer a major portion of these shares to the new combines company.

The province is aware that the parent company, Massey-Ferguson Ltd., could become a profitable operation as a result of the deconsolidation of its combines division. The parent company estimates its nine-month earnings without combines at about \$36 million. Ontario, therefore, sought and gained a participation in the enhanced earnings which will flow from the

restructuring by negotiating to receive preferred shares, common shares and warrants in Massey-Ferguson Ltd.

We believe these actions will restore a portion of Ontario's original \$75-million investment in the company, but I will be unable to provide more specific details of the proposal until all participants approve the plan.

Ontario will be putting up no new money in the proposed restructuring; rather, the transaction is an exchange of securities.

For those who might assert that Massey-Ferguson Ltd. is abandoning its combines operations, let me address the point. If there is no restructuring, the likelihood of the combines operation in Brantford ever reopening is questionable; second, Massey will retain 40 per cent ownership in the new company; finally, Massey will be a significant creditor of the new company and the size of this loan will give Massey a strong stake in the new combines company's success.

I will close my remarks by relating to the House some details of the commitments this government sought as consideration for participating in the proposed restructuring.

1. Job commitments: In 1987 Massey Combines Corp. and Massey-Ferguson Ltd. will commit to maintain 500 jobs in Canada; the next year, 1988, the companies will commit to maintain an additional 500 jobs, for a total of 1,000. Thereafter, the companies will maintain an average of at least 1,500 permanent jobs per year in each succeeding two-year period until 1993. The 1987 commencement of these job commitments reflects current market conditions and the expected time necessary to reduce inventories. Failure to achieve these targets will result in financial penalties being imposed on the companies. The job commitment covenants are the collective responsibility of both Massey Combines Corp. and Massey-Ferguson Ltd.

2. Further investment: (a) Massey-Ferguson Ltd. will commit to an incremental investment in Canadian projects of at least \$40 million by 1990; (b) Massey Combines Corp. will commit to invest between \$30 million and \$50 million in upgrading the combine harvester manufacturing business by 1988.

3. Noncompetition clause: Massey-Ferguson Ltd. will covenant not to compete with Massey Combines Corp. in any of its combine harvester product lines.

4. Technology export: Massey-Ferguson Ltd. will covenant not to export the combine technology or enter into coproduction agreements

outside Canada without the consent of the government.

REPORT ON OAK RIDGE DIVISION

Hon. Mr. Elston: Services and facilities at the Oak Ridge division of the Penetanguishene Mental Health Centre have been a matter of concern for a number of years. This facility, the only maximum security psychiatric unit in Ontario, treats patients who are either sent for treatment by the courts or transferred from other psychiatric hospitals that are unable to attend to their needs.

In March 1984, following criticisms of conditions at the Oak Ridge division, the Ministry of Health appointed a committee to conduct an independent review. That seven-member committee, composed of national and international experts in the mental health field and chaired by Dr. Stephen Hücker, chief of forensic services at the Clarke Institute of Psychiatry, has prepared its report and today I wish to table it in the House.

The report represents a thorough and comprehensive examination of the Oak Ridge division and provides valuable insights into many of the complex issues surrounding the care and treatment of this patient population.

The committee made a total of 89 recommendations. It suggests, for example, that the number of psychiatrists and staff-to-patient ratios be increased in certain service areas. It also recommends that two streams of training be offered for staff: one for security workers and one for treatment workers. With respect to security, the committee recommends that there be expanded categories for the supervision and treatment of patients and more detailed criteria for their seclusion and restraint.

The committee believes that patients who are not admitted by court order should not be treated at the Oak Ridge division. It suggests that the number of patients in the division be reduced through stricter, more precisely defined admission criteria. It also recommends that facilities at the Oak Ridge division be improved and that the division be administered separately from the regional psychiatric hospital. In addition, more detailed policy and procedure manuals should be developed.

My parliamentary assistant, the member for Wentworth North (Mr. Ward), and David Corder, assistant deputy minister for mental health, visited the Penetanguishene Mental Health Centre yesterday, at my request, to make a preliminary assessment of the report's recommendations.

I intend to establish a steering committee as soon as possible to study the report and devise a plan for the implementation of specific proposals. This steering committee will include representatives from the Ministry of Health, hospital administration and the hospital's community advisory board.

In addition, I will be visiting the facility early in the new year to gather first-hand information about the Oak Ridge division in the light of this new report.

I expect full, constructive and open participation by all concerned as we consider the recommendations.

All those who have participated in this review are to be commended for their fine efforts. Dr. Hücker and his committee did a very thorough job and they received excellent co-operation from staff and patients at Oak Ridge and Penetanguishene Mental Health Centre.

I am optimistic that this report will be extremely useful in improving the conditions for patients and staff at the Oak Ridge division and I plan to move ahead on improvements as quickly as possible.

REPORT ON ENVIRONMENTAL HYPERSENSITIVITY

Hon. Mr. Elston: Members of this House may also recall a six-member committee which was appointed in November 1984 to study a disorder which is known as environmental hypersensitivity, or 20th-century disease. The condition has been described as multiple sensitivities or allergies to a wide range of foods, chemicals and environmental substances.

The disorder does not present a clear-cut clinical picture; the range of symptoms that its victims may have is quite varied. Nor is the disorder recognized by many medical authorities. Despite disagreement among medical practitioners and researchers about the nature of environmental hypersensitivity, however, it is certain that many patients who attribute their ill health to this disorder suffer greatly, and that some of them are seriously disabled.

Therefore, it was decided that the disorder required study and, in November of last year, George Thomson, a former provincial court judge, was appointed chairman of the Committee on Environmental Hypersensitivity.

The committee's mandate was to advise the Ministry of Health on the occurrence of environmental hypersensitivity in Ontario and on current methods of diagnosis and treatment. Further, the committee was to make recommendations to the

ministry concerning future approaches to treatment and research that should be taken.

To learn as much as possible about environmental hypersensitivity, the committee held public meetings, reviewed the relevant scientific literature, interviewed many interested people and visited clinics in the United States which specialize in treatment. In addition, the committee received more than 1,000 submissions and thoroughly examined the cases of nearly 200 patients.

Following this extensive investigation, the committee presented its findings to the ministry in a report of more than 300 pages. The report is divided into eight chapters. Its conclusions cover nine major areas and it gives 30 recommendations concerning prevention, research, funding of tests and treatments, information and education about the disorder, as well as financial and social support for patients.

The appendices of the report contain confidential medical and personal information that was provided to the committee by many individuals. Therefore, it was necessary to postpone making the report public, pending permission from those individuals to release this information. This permission has now been obtained and I am pleased to table the committee's report for the information of the members of this House.

The Hospital for Sick Children has been asked to convene an expert panel under Dr. Barry Zimmerman, head of the division of allergy, to review the committee's report and evaluate its recommendations. I hope to be able to advise this House shortly after Christmas as to when we might expect to have the panel's assessment.

ORAL QUESTIONS

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: I have a question of the Premier on the Urban Transportation Development Corp. I know he does not like to hear about it; I understand that. The Premier should ask John Kruger, he may share some of the information with him.

Earlier today, my office spoke to Bill Waite, president of Siemens Electric Ltd. of Toronto. His company has been actively engaged in discussions with UTDC about forming a consortium to bid on the Dallas transit contract, which no doubt the Premier will know is one of the largest available anywhere in North America.

2:30 p.m.

Mr. Waite told us the competition for the Dallas contract is very active right now, and his

concern is that competitors are down there meeting local officials, making their case, and having great success in casting doubts on UTDC because of the meanderings and the fumbling of this government as it threatens to sell UTDC.

Given the fact that Siemens fears it will now lose perhaps 50 jobs as a result of this fumbling and the fact that failure to win the Dallas contract could cost UTDC millions of dollars, why does the Premier continue this charade of fumbling around and trying to sell UTDC simply because it is a pet peeve of the Treasurer (Mr. Nixon)?

Hon. Mr. Peterson: Why is the member blaming the Treasurer for this? The Treasurer is very thoughtful about all of these things and he believes, as the member knows, in the wise use of taxpayers' money. He probably agrees with Jim Snow, the former minister who was responsible for UTDC, who felt it should look at some form of privatization, and that is the reason. I am sure if the honourable member addressed his question to Jim Snow, he would agree with the government looking at all these alternatives.

Mr. Grossman: That is another total nonanswer. Let me refer to one of the few answers the Premier has deemed to give in this House, other than a shrug, about UTDC. On December 10, last week, when I asked about the distribution of confidential information concerning UTDC to a number of competitors, the Premier replied, "Obviously, we would not give away confidential details at this point."

I understand from a morning paper that Mr. Kruger does not share these letters with the Premier, but I have here, once again, some more information he has not been able to get, which is the letter sent out by UTDC with accompanying data.

Given that the Premier told this House he would not give away confidential details at this point, could he explain why it is that UTDC's management forecast, its consolidated statement of income outlining all its expenses and income projections over the next three years, has now been widely distributed to its competitors?

Hon. Mr. Peterson: The answer is no, I cannot. I am sure if it is confidential the Leader of the Opposition would not want to embarrass UTDC by making it public.

Mr. Rae: In the government's own report on the process of privatization, one of the major points made is that it is not helpful for the entire process to have the names of companies identified and to have widespread discretion on the part of the government of the various pros and cons with respect to those companies out in the open

for months on end. It is the Premier himself who initiated and publicized the fact that UTDC was on the hit list, without having any particular idea of how privatization would take place so as not to damage its potential marketability and endanger jobs.

Does the Premier not realize the way the government has conducted itself with respect to UTDC has cost jobs and affected the ability of this company to get the kinds of markets it deserves for its products?

Hon. Mr. Peterson: With great respect, I would not agree with the honourable member in that regard. However, his question points out the essential dilemma of a crown corporation.

Here we are in this Legislature discussing this matter day after day, and the member opposite thinks he gets these tasty little morsels he can leak out in this House. He is doing everything he can to embarrass the company. That is fair enough, because there is a system of accountability. When the taxpayers own the company, ultimately they have a right to know.

We are running an open government and we want to share these things with them. We want to share our thoughts with them about the taxpayers' money, and so we are doing that. That is the essential dilemma; the crown corporation is subject to certain strictures and rules to which the companies in private enterprise are not subject, and that is one of the advantages of looking at privatization of this company so it can compete with other private companies around the world.

I think the member's question points out the dilemma and why we are looking for a resolution of this in order to make the company grow.

Mr. Grossman: In order to make this company grow? Let me try this question to the Premier of this government that is so open that John Kruger has not shown the Premier the letter on which he was answering questions in the House yesterday. Let me quote the Premier of this open government again. He said:

"Let me just make one point that is important. The member assumes in its present form it"—that is, UTDC—"is just going to continue and get bigger and better...Let me tell him, that assumption is incorrect."

The Premier said that on Monday. I know he has not seen these documents that his open government is playing with, but this document indicates the company will indeed get bigger and better during the next three years, through to 1988, under its current organization and its current management.

Can he explain to me how he can say he must sell this company in order to ensure that it gets bigger and better when UTDC under its current ownership, operation and direction is growing and expanding at a spectacular rate?

Hon. Mr. Peterson: With great respect to my honourable friend, when we look at the contracts that are there in the future over the long run, and when we look at the opinion of certain members of management, in addition to that of certain members who used to be responsible on that member's own side, who feel it should be privatized, why is the member denying them? Has he changed his position? Has his former government changed its position?

Mr. Grossman: No, we did not. We started it. They say in the long term they are doing just fine.

Hon. Mr. Peterson: I am just telling the member we are concerned about the long-term viability of the company. There is no question about that. The long term is not a couple of years; it is much longer than that.

We are concerned about making sure it has the security of contracts so it can continue and be competitive. There is nothing particularly spooky or mysterious about that, and surely the member should know that. He should ask Jimmy Snow if he does not believe me.

Mr. Grossman: The Premier does not have to worry about getting invited to cut the ribbon in Dallas, for two reasons: he will cost us the contract, and there will be another government in place to do it.

DOMED STADIUM

Mr. Grossman: My question to this open government, again to the Premier, is with respect to the domed stadium. Given the fact that the Premier told the member for York South (Mr. Rae) yesterday, and I quote—it is important to keep quoting the Premier—"I invite the member to look at every single piece of paper the dome corporation has looked at," will he undertake today not to ask the dome corporation but to guarantee that he will table the report of the technical committee in this House before the last question period of the week? Will he also confirm in the meantime that the document in question contained absolutely no comparative information on the various bids that were before the board?

Hon. Mr. Peterson: Let me assure the Leader of the Opposition that I have no idea what the documents contain. I have not seen them and I am not interested in looking at them.

However, I think the Leader of the Opposition and the members of this House should be. Let me recommend this to him: why does the standing committee on public accounts of this House not summon the technical committee, the board, all the papers, technical reports and anything members want? Call William Davis and Paul Godfrey and have a thorough discussion.

This is a massive public project started some time ago. It is one that has to be scrutinized in every single detail. I know my honourable colleague opposite would not want to do just a superficial little study; he would want to get into it in great depth. I am told there are virtually rooms full of technical material. I invite the member to crawl through it, spend his Christmas holidays working with it if he would like to. He can talk to the dome board and have them here before a committee. I think he would want to do that kind of in-depth analysis.

2:40 p.m.

He would want to talk to some of the various esteemed members of the board. We have a most competent and thoughtful board. He would want to discuss it with William Grenville Davis, QC, Paul Godfrey, Lionel Schipper and others who have contributed so much to making this very thoughtful decision.

Mr. Grossman: The answer the Premier gave to that question was no, he will not table the report in this House.

Let me remind the Premier that over the holidays he may be on the telephone, as he no doubt often is, to Chuck Magwood, Martin Connell and Don Smith. We need information and documents to do the same. Could the Premier undertake to table those documents before the House adjourns this week? Could he confirm before the House adjourns this week that in the general overview presented to the dome board, the technical committee reported that Eastern Construction, not Ellis-Don, had "the lowest adjusted stipulated price"?

Interjections.

Mr. Speaker: Order. With respect, the time is going on.

Mr. Brandt: We want to applaud first.

Mr. Speaker: The usual custom is after.

Hon. Mr. Peterson: My honourable colleague is getting carried away with his own fierceness. I am inviting him to scrutinize the entire deal; I am inviting him to bring it before the public accounts committee.

Mr. Grossman: Will the Premier table the documents?

Hon. Mr. Peterson: I am reminded of when we had this discussion some months ago in this House and the Tory party voted against the suggestion my colleague moved in public accounts then that it be brought before that committee. Here they are tearing it down.

Mr. Grossman: Will the Premier table the documents?

Hon. Mr. Peterson: Now I am saying to them to bring it before the public accounts committee and discuss it.

Mr. Grossman: It is a straight coverup. If the Premier has nothing to hide, he should put the documents on the table.

Hon. Mr. Peterson: If they have some suggestion that Mr. Davis and the members of the technical committee were using undue influence or being partisan, I want them to satisfy themselves. There is not room on that table for all the documents. They can go to look at them and spend all the time they want. I have no problem with tabling them before the public accounts committee, as I have said before.

Mr. Mancini: Mr. Speaker, on a point of privilege: I wonder whether the Premier would consider naming the dome after William Grenville Davis, as was suggested by the Leader of the Opposition.

Mr. Speaker: That is far from being a point of order.

Hon. Mr. Riddell: Call it the Mulroney Dome. It is fully retractable.

Mr. Gillies: Name it the Chrome Dome after the Minister of Agriculture and Food. (Mr. Riddell)

Mr. Speaker: Order.

Mr. Grossman: It is probably going to be Joan's Dome. I will ask the Premier a final supplementary as we try to get him to agree to table the documents of this open government so we can look at them over the next couple of weeks.

In asking for these documents, I want to make a point to the Premier, who is now chatting with the major shareholder of the dome corporation, the Treasurer (Mr. Nixon). He is the major shareholder of the dome corporation.

Hon. Mr. Nixon: The only shareholder.

Mr. Grossman: I ask the Premier to ask the majority shareholder of that corporation, whether he is concerned about the fact that the technical evaluation committee reported to the dome board that the only stadium whose roof opened fully and opened larger than the Ellis-

Don roof was "appreciably higher in cost," but did not identify just how much higher in cost it was than the Ellis-Don proposal.

Hon. Mr. Peterson: First of all, with respect to the point of privilege of my honourable colleague, I did suggest at one point some time ago that the dome should be named after William Grenville Davis. However, Mr. Davis, in a fit of modesty, said publicly not very long ago that he did not believe the dome should be named after a living politician. Now we can name it after the Leader of the Opposition or after Brian Mulroney—it is going to be fully retractable—or whatever he wants to do.

Let me get back to the point at hand. I do not usually discuss what goes on in our caucus, but we discussed this in caucus this morning and our party was unanimous in the view that on Thursday of this week when the standing committee on public accounts meets, a motion should come forward—and our party members are prepared to move it—to bring all of the documents before the public accounts committee.

It is interesting how we have taken the initiative. Even though the Conservative Party refused six or eight months ago to bring this matter before the public accounts committee, we have suggested that it all go there.

Mr. Grossman: What is the Premier hiding? Why does he not send it over?

Hon. Mr. Peterson: This man has no shame. He just keeps yapping. Yap, yap, yap.

Mr. Speaker: Order. I think that is a fairly complete answer.

Mr. Rae: The love affair between the leader of the Tory party and Paul Godfrey can only take off from this point.

EMISSION DISCHARGES

Mr. Rae: My question is to the Minister of the Environment and it concerns the announcement he made today. I would like particularly to focus on the program with respect to Ontario Hydro.

The minister talks in his very glossy statement, Countdown Acid Rain, about two areas of what he describes as flexibility, which I would call two loopholes in the process with respect to Hydro. One of them has to do with this idea of rolling banking credits for emissions over a period of five years. It says here, "Ontario Hydro may be permitted to use credits in advance for a limited number of years."

Can the minister confirm that, as the program is currently designed, it would be possible for Ontario Hydro to apply now in advance for

credits not yet earned, which would mean in effect that its emission levels could be higher in 1988 or 1990 than they are today?

Hon. Mr. Bradley: The circumstances in which that would happen, of course, would be circumstances that would be declared something close to a catastrophe in Ontario. As the honourable member would know Ontario is not dependent on the other emitters for electric power. I would indicate to the leader of the third party also that that would require the consent of the government.

We have not indicated at this time any specific numbers for banking, except that we clearly wish Hydro to come back with studies, because I do not look at figures that have been proposed as being satisfactory to me. I want them to be able to come back to us and indicate what they feel, after their studies are completed, would be reasonable figures for them to be able to withdraw from a bank only with the consent of the government and only specified amounts. This, of course, takes into account contingencies that might arise.

2:50 p.m.

Mrs. Grier: I would like to ask the minister about my concern that there be full public discussion and debate when such exemptions are asked for. I have some confidence that as long as the present minister has that responsibility, there will be open government. I am sure that after the next election, when I am the minister, there will be open government.

Should what the minister describes as a catastrophe occur and the minister be somebody to my right, can the minister assure us that there will be public scrutiny of exemptions given to Hydro? If that is the case, why does the regulation he has presented today not spell out any system whereby there might be that full public debate and scrutiny?

Hon. Mr. Bradley: I agree with the critic for the New Democratic Party that a provision for public consultation is necessary. Our government has indicated clearly, since we have been in power and previous to that, our desire to have all the affairs of Ontario Hydro open to the committee system here, whether it be a select committee on energy or a select committee on the environment, which in this case is probably the best vehicle.

A public justification and consultation process is essential if the submissions made by Ontario Hydro are to be believed and scrutinized by all. That is an essential component. I see a legislative committee—the future committee on the environ-

ment is a reasonable one or perhaps the committee on energy—having that power.

Mr. Andrewes: Since one of the major portions of Hydro's input to this program requires the replacement of coal-fired generation with nuclear generation, can the minister assure us he will move expeditiously on hearings on transmission line facilities that are necessary to maximize the nuclear installations Hydro has and will have in the future?

Hon. Mr. Bradley: I can indicate to the honourable member that the normal process that should take place for those transmission lines will take place. There will be a full consultation process. We will go through the procedures that were established by the Conservative government for that process. The decision made by the board that hears the representations will be the decision this government will ultimately have to live with.

As the member knows from the information provided, we have not stipulated a specific technology that each of the emitters must use. Instead, we have indicated the numbers to those emitters and they will specify the technology. The member will appreciate that the technology is changing rather rapidly. Some methods of reducing acid rain emissions that were not available to us in the past appear to be coming on stream, such as limestone injection. We think a very strong conservation program is an important component, as is the possibility of burning lower sulphur coal and the use of scrubbers. There are a number of options available.

The former minister would not wish to have me as the minister stipulate to Ontario Hydro the specific technology to be used, but rather the total numbers.

Mrs. Grier: The minister has said the regulations contain limits, but can he explain to us why in the case of Inco the target is only an objective and not a limit?

Hon. Mr. Bradley: The limit the government placed on Inco, as it is called today—I am told I am not supposed to say International Nickel—is 265 kilotonnes a year. Inco indicated previously that it could reach, or would strive towards, 350 kilotonnes a year. We felt that was not sufficient; so we indicated we wanted to see a regulated 265 kilotonnes.

We also indicated that even though technology in December 1984 did not point to the fact that it could get down to 175 kilotonnes, we nevertheless wanted it to study down to that limit and report back to us on a six-month basis what progress it is making towards both the mandated

265 kilotonnes and the 175 kilotonnes targeted area.

We think all potential emitters should be striving towards something even lower than what we have mandated, although what we have mandated is considerably lower than what anybody countenanced prior to this.

ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

Mr. Rae: I have a question for the Treasurer about an institution that I know is near and dear to his heart. I am talking about the Ontario Institute for Studies in Education.

Is the Treasurer aware that on December 10, 1985, the board of governors of OISE passed seven motions, of which one requested the director not to pursue any further discussions with the University of Toronto about a proposed transfer, while a second requested the Premier (Mr. Peterson) to withdraw the government's policy concerning the transfer of OISE to the University of Toronto?

I hope by now the Treasurer appreciates the degree of chaos and uncertainty he has caused at OISE and in the university community by the manner in which he took his decision. Is he prepared now to do the decent thing and withdraw the government fiat saying OISE is automatically going to be transferred to the U of T?

Hon. Mr. Nixon: I hope I am always prepared to do the decent thing. In answer to the specific matter the honourable member put before the House, I had the experience of listening to the views of a number of people in a capacity audience at the auditorium at OISE, mostly made up of graduates and staff. At that time, I pointed out that in the budget this year we are transferring \$2 billion to the post-secondary community, with a \$119-million increase this year, and that this is obviously still insufficient.

I made the point that we are going to have to improve the efficiency of the post-secondary system and that it was not really fair to expect the leadership in the universities and various post-secondary institutions to take all the responsibility for initiatives in this very difficult problem. I made the point that I felt it was up to me as Treasurer to take some initiative in that regard., I stated that in discussions with the chairman of the board and the director of OISE I was under the impression, stated by them, that they were going to continue negotiations with the University of Toronto for the next four months.

I indicated that at the beginning of the next fiscal year I would like—the member is shaking his head; he was not at the meeting and I was.

Mr. Rae: I am telling you what the board passed last week.

Hon. Mr. Nixon: All right, that is fine.

They undertook to continue their discussions for four months, until the end of the fiscal year. It was my expectation that the accommodation of the budget would be met at that time, but if it were not, they might very well come back and ask for an extension. Rationally, I have to expect that might happen and there is no problem in that regard, but I do not intend to withdraw that aspect of the budget and the Premier has not brought it to my attention that I should give consideration to the point.

Mr. Rae: The Treasurer is allowing his private irascibility with an institution that goes back 15 years to affect the agenda of university reform and the relationship between universities in Ontario. It is totally inappropriate for that kind of private ill-temperedness with respect to a particular institution to set the agenda for reform in this province with respect to education. It is completely inappropriate.

Mr. Speaker: Is that your supplementary question?

Mr. Rae: Is the Treasurer not aware that as a result of his unilateral, nonconsultative fiat, which he issued in the budget, the board of governors at OISE is sufficiently outraged at the approach the Treasurer has taken to instruct the director, Dr. Shapiro, to stop any discussions with the University of Toronto with respect to transfers? Is he aware that the impact of his announcement has been to bring to a halt any serious discussions between the University of Toronto and OISE?

Hon. Mr. Nixon: I thought it was against the rules here for motives to be imputed, but I will let that go. The honourable leader must be aware that the director was not instructed; he was requested. The board and its chairman are much too wise-wiser than the leader of the New Democratic Party in that regard—to issue any such instruction.

3 p.m.

Mr. McFadden: I was at the meeting in question. The Treasurer not only made a number of observations about OISE but also made some other observations about general university planning rationalization. Will the Treasurer confirm in the House now, in view of what he had in the budget, whether he is assuming control over planning of post-secondary education in Ontario?

Hon. Mr. Nixon: No, but I do have the responsibility to provide the funding. In that consideration I must express what I consider must be the concern of the people of Ontario, that our money is spent in the most effective possible way. I am going to continue with that concern.

Mr. Rae: Is it the Treasurer's considered, well-tempered view, as we approach the season of goodwill, that any change in the governance of OISE, and in particular in its relationship with the University of Toronto, will require changes in legislation at the provincial level, since both the University of Toronto and OISE are provincially chartered institutions under provincial statutes? Is it the Treasurer's understanding that it will require statutory change; and is he aware of the opinions of various parties within this Legislature with respect to the unilateral approach he has taken to OISE?

Hon. Mr. Nixon: I am certainly aware of the latter, and I believe statutory changes will be required eventually. I also believe there are ways of adjusting the financing of the organization without that, but I would be very reluctant to undertake those changes.

I would hope rational members of the Legislature might be persuaded to give some reasonable consideration to the fact that allowing the University of Toronto to administer OISE is not tantamount either to reducing its funding or to consigning it to the flames.

RENT REVIEW

Mr. Gordon: I have a question for the Minister of Housing. For years in this province, and particularly in the past few months, the developers have insisted that if controls are extended to post-1975 buildings there will be no building of new rental units in Ontario. I am sure the minister is aware of that. Can the minister explain what the deal is? What secret agreement has he made with the developers?

Hon. Mr. Curling: I appreciate the honourable member's question. There is no secret. It is called consulting, getting people together to resolve the problem. I know it is difficult for that side to understand.

I found the confrontation that existed when I assumed the portfolio was a vicious fight between tenants and landlords and there was no thrust at all from government. I thought if we got together and talked about that, we could start to resolve all the problems we had. The secret deal is to deal with people at a people level and to understand the problems. We are now moving to resolve them.

Mr. Gordon: Will the minister admit that the real deal is that a tradeoff, a sellout of tenants in the pre-1976 buildings, has been arranged; that it is the minister's plan to allow the rents in the pre-1976 buildings to rise to market value and that either the renters are going to pay the new freight or he is going to subsidize it from the rest of the taxpayers of Ontario?

Hon. Mr. Curling: The tenants with whom we sat down were intelligent people. I could not give them a con job because they are very intelligent people. The member will know that the tenants also agree with the deal, as he calls it, but it is just an arrangement that is fair and open. It is very difficult for the member to understand, perhaps because this was not the process in the past. I ask the member to join with me whenever we have any more consultation, and I will tell him how easy it is. We spend our time speaking to the issue, not tearing down walls and having our pictures taken on tractors. We deal with the real issues.

Mr. McClellan: The deal between the Conservatives and the developers was no secret. There was no rent registry; so there was no means of enforcing rent controls.

My question to the Minister of Housing is with respect to his proposed administrative review procedure. How does the minister expect tenants to be able to challenge landlords' costs accurately when there is no hearing, no protection under the rules of evidence and no opportunity for cross-examination? Why does he assume some bureaucrat in his ministry is going to be able to uphold the rights of tenants, which are granted now in the Residential Tenancies Act?

Hon. Mr. Curling: The first approach to a board hearing is a basic review hearing before a rent review adviser, who will make a decision.

Mr. McClellan: By a bureaucrat.

Hon. Mr. Curling: If the tenant or landlord does not like the decision made by the adviser, he has the right to appeal and to go to an appeal hearing review; no one has taken that away.

In the previous situation, it took about 180 days to get one hearing completed. In the second phase, it took about 190 days. We intend to reduce that and to make them less adversarial so we can resolve them in a less costly way.

We have not taken away the rights of tenants. They have the chance to resolve it at an earlier time, and they have the right to appeal it at the Rent Review Hearings Board.

Ms. Fish: Does one have to pay to have an appeal?

Hon. Mr. Curling: If the members listened, they would hear the question answered properly.

Mr. Laughren: Mr. Speaker, on a point of privilege: I feel that my privileges, and I suspect those of other members, have been abused by the Minister of the Environment (Mr. Bradley), who made a major announcement for which there had been a great deal of publicity and then left question period before it was completed. I am offended by that.

PSYCHIATRISTS' SALARIES

Mr. D. S. Cooke: I have a question for the Chairman of Management Board arising from the negotiations, for which I believe she is responsible, that were going on with the psychiatrists at the provincial hospitals. A fact-finder has been appointed. Can the minister guarantee that her government will accept the decisions and recommendations of the fact-finder when the decision comes down?

Hon. Ms. Caplan: Just yesterday, I had an update on the status of the psychiatrists who are civil servants, employees of the government. I understand they have written to the fact-finder. We are awaiting the fact-finder's report.

I want to share with the honourable member my concern about the attitude. I think the House should know that in this situation there are psychiatrists who are civil servants and psychiatrists in the employ of the government who are on contract. Those who are civil servants have the right to pensions and all the benefits of civil servants; with that comes security, and hence lower salaries than for those on contract.

The option or choice is there for those psychiatrists to be either civil servants or on contract. The salary level is around \$78,000 at present, plus a benefit package that is worth about 30 per cent to the psychiatrists. I am very concerned about this and I await the fact-finder's report with interest. There are many pressures on this government to deal with salary issues, and this is just one of them.

3:10 p.m.

Mr. Mackenzie: Is the minister aware that the Ontario Psychiatric Hospitals and Hospital Schools Medical Staff Association, along with the Ontario Crown Attorneys' Association, the Ontario Nurses' Association, the Federation of Engineering and Scientific Associations and the Society of Ontario Hydro Professional and Administrative Employees have formed a coalition whose purpose is to try to achieve a certification process that would give them a collective bargaining process? Is the minister

ready to intervene with the Minister of Labour (Mr. Wrye) to see that these groups of professional employees do have the same certification procedure that would allow them bargaining rights that workers have in the province?

Hon. Ms. Caplan: The honourable member points out the same pressures from many groups to which I also referred. The answer is no, I do not support that kind of organization for professional groups of civil servants.

I look to the report of the fact-finder in the case of the psychiatrists. We have a negotiating procedure established, and I am very concerned about those kinds of demands and pressures. I believe those people who have the security of the civil service have to be realistic in what they expect the government can provide for them in the way of salaries.

RENTAL ACCOMMODATION

Mr. Gordon: I have another question of the Minister of Housing. In the minister's assured housing program, he tells us he will provide 1,000 rental units from the private sector next year and another 43,000 units over the following four years. Does this gap between next year and the 43,000 units in the next four years come about because the ministry believes the development industry does not yet have confidence in his program?

Hon. Mr. Curling: With all respect, I think the honourable member has not yet read the report. I do not know where he got the figures he quoted, 1,000 next year and 43,000 in four years. Those figures are not correct.

Mr. Gordon: We will leave the minister to go back and read what he has been announcing. Will the minister admit to this House that the reason he is predicting only 1,000 rental units from the private sector next year is that the development industry is still waiting to see whether he keeps his end of the unannounced secret bargain he made to increase rents in those pre-1976 apartment units?

Hon. Mr. Curling: If the question is whether the developers have sufficient confidence in us to build, the answer is yes, they have confidence to build.

Mr. McClellan: Now that my Tory counterpart has joined me in a desire to put landlords in their place and do a terrible number on the development industry, I want to ask the minister why he does not take the \$75 million he is pouring down the drain in the Renterprise program and add it to the \$72 million being

invested in nonprofit housing so he can build 40,000 units of nonprofit housing instead of 20,000 units.

Hon. Mr. Curling: I know my colleague across the floor would love the government to own all the houses, but we know the private sector can generate some affordable units too. We also know one sector alone will not generate all the affordable units we want; so we will spread it around and make everyone contribute to the support of the units we want.

DOMED STADIUM

Mr. Philip: I have a question of the Premier. He will be aware that the interim report of the standing committee on public accounts on the domed stadium made a fairly clear statement that, in its opinion, participation by companies that are not currently involved should be included in the dome. In particular, we named Carling-O'Keefe and Molson's.

Is the Premier aware that Molson's officials claim the consortium, the Stadium Corp. of Ontario Ltd., is still refusing to look at their offer? Is he aware that Carling-O'Keefe, in spite of three written and two verbal offers, still has not had any concrete evidence that the consortium wishes to negotiate with it? If so, what does the Premier intend to do to open up this family compact that was started by the Tories?

Hon. Mr. Peterson: I am waiting at this moment for a report from the stadium corporation with respect to the financing. Let me say generally, in response to the question, I agree with the honourable member that it is obliged to open up and invite more partners into the so-called consortium.

There is a lot of money that still has to be raised from the private sector. I am not in a position to dictate from whom or how much, but the corporation has to look at all of the alternatives. It would be foolish not to look at the two companies the member named.

I have not been involved in the details of that. I am looking forward to a report, but at present it looks as if there is a differential of around \$75 million that has to be raised. Obviously, the two companies the member mentioned would be potential sources.

Mr. Philip: Is the Premier aware of the accusation made by nonmember firms that the public could lose up to \$200 million as a result of the arrangements not being opened up? Is he prepared today to assure this House that he will address the consortium and tell the stadium corporation to open up the negotiations to bring

in other companies, and will he keep the cap of \$30 million on the original commitment by the province?

Hon. Mr. Peterson: I have heard a number of figures and guesstimates in this entire discussion since the original dream of the dome started. The member will recall the former Treasurer said it was going to cost \$150 million. Look what has happened. It is way above that at present.

I know the corporation is concerned about it, and it is dealing with it. I have told it the province will contribute \$30 million but it should look to the private sector for other sources of funds. As far as I know, it is doing that. I have no idea where it is going to come from. If the member has any other ideas besides the two corporations he has mentioned, I will pass those on to the corporation.

Mr. Gillies: The Premier contends he wants this information and everything else that the public accounts committee has not yet seen on this matter to be brought before the committee. He may not be aware that the usual practice of the public accounts committee is that a meeting's notice is required for all motions.

Will the Premier commit to the House that he will direct his members on the public accounts committee to agree to unanimous consent that all the information we seek be brought before the committee this week and not into January, as normally would be the case?

Hon. Mr. Peterson: I have no problem with that at all. We were discussing this subject this morning, and I am sure the members from our party are most anxious to have that discussion and to co-operate in any way they can because they believe it should have a full, thorough public input, as the member does. If he can get it organized by this Thursday, that is fine with me. If not, the committee can sit Friday, Saturday, Sunday, Monday, Tuesday—whenever he wants.

Mr. Gordon: On a point of order, Mr. Speaker: The Minister of Housing (Mr. Curling) implied that the facts given were incorrect. I would like to read those facts with regard to 1,000 units. It is on page 11 of the plan for assuring housing.

"Under the rent review system, the private"—

Mr. Speaker: Order. We will have a new question. The member for Peterborough.

3:20 p.m.

Mr. Turner: I would like to address a question to the Minister of Consumer and Commercial Relations—

Mr. Timbrell: On a point of order, Mr. Speaker: Earlier in the exchange in question period, the Minister of Housing implied that my colleague had not even read the document. Clearly, it is the minister who has not read the document because—

Interjections.

Mr. Speaker: Order. Very interesting points of view. The member for Peterborough with a new question.

Mr. Turner: Is it all right now? Thank you very much.

LOW-ALCOHOL PRODUCTS

Mr. Turner: I have a question of the Minister of Consumer and Commercial Relations, please.

Hon. Mr. Elston: Do not let the member for Don Mills (Mr. Timbrell) interrupt again.

Mr. Turner: I should hope not.

As the minister well knows, the current law permits the sale of alcoholic beverages under one per cent alcoholic volume to anyone in the province, including schoolchildren with 80 cents in their pockets. Is the minister aware of the growing concern among teachers and parents who see grade 1 children consuming such beverages as Sarasoda? How does he plan to deal with this matter?

Hon. Mr. Kwinter: The member for Peterborough has addressed a question that has already been raised in the House. I mentioned to him the last time that the Liquor Control Board of Ontario does not have jurisdiction over those products. As the Minister of Consumer and Commercial Relations, I am quite concerned about it. We are looking at the problem of stomach bitters and all products that fall outside the jurisdiction of the LCBO.

Mr. Turner: I am quite well aware that the question has been asked before. On November 22, the minister said: "It has not been brought to my attention as being a problem. If the member can demonstrate that it is a problem, we will react to it."

I want to make the minister aware that the Addiction Research Foundation has informed me that in a 50-pound child two bottles of this drink of a 0.9 per cent alcoholic volume substance will increase his or her blood alcohol level to the point where an adult driving a car would be charged with being impaired. The foundation recognizes such products as these to be a very real potential concern.

Mr. Speaker: Is your question, "Is the minister aware"?

Mr. Turner: No, it is not. I am just giving him some background.

Mr. Speaker: I am waiting for a supplementary.

Mr. Turner: You remember the way it used to work? I should apologize for being flippant with the Speaker. It is the time of year, I suppose.

In view of these facts, would the minister assure this House the government will reassess its ill-conceived policy of selling beer in corner stores?

Hon. Mr. Kwinter: I do not quite know what the last part had to do with the first part, but I still stand by my offer. If the member will send that information to me, I will have my officials check it out and respond and get back to him on it.

Mr. Swart: The minister has evaded his jurisdictional responsibility by saying it does not come under the Liquor Control Act. That is true, but does he not recognize and agree that he has power under the Minors' Protection Act to prevent children from buying this drink in any store?

Hon. Mr. Kwinter: As I said to the member for Peterborough, I will be very happy to look into it and get back to the members and let them know what we are going to do about it.

REPORT ON FINANCIAL INSTITUTIONS

Mr. Swart: I have another question of the Minister of Consumer and Commercial Relations. He will know there was a recommendation in the Dupré Ontario Task Force on Financial Institutions, which he tabled yesterday, to reduce the full deposit insurance for individuals from \$60,000 to \$20,000. I am very concerned about that and I think the minister would be as well. I am more concerned because he did not even refer to it in his statement yesterday.

Does the minister not think that, at a time when there have been more failures of banks and trust companies and more difficulties in credit unions than ever before, full deposit insurance coverage at the \$60,000 level should remain?

Hon. Mr. Kwinter: All I did yesterday was to inform the members that the report had been released. I did not comment on it in any way other than to commend the members who prepared it and to say my ministry would examine it. That is what we are doing. After we have had a chance to analyse all the recommendations, we will act on some, we will not act on others and we will inform the House when we do.

Mr. Swart: Does the minister not know the concern of the depositors simply because that report of his government has been tabled, particularly depositors in credit unions, over which he has authority? People are already thinking about withdrawing from their larger accounts.

Will he not now reply to this question in this House giving categorical assurance that the people of the province will continue to have full insurance on their deposits up to \$60,000 indefinitely?

Hon. Mr. Kwinter: The member is in error when he says it is a report of this government; it was a report to this government. We have not changed anything. We do not plan to change anything until we have reviewed the report.

RED MEAT PLAN

Mr. Stevenson: I have a question for the Minister of Agriculture and Food. It is clear to everyone in the red meat industry that there is great confusion right now about which slaughter cattle will qualify for the 1985 stabilization payments and exactly how those payments are going to be made. Will the minister explain what today's version is of which cattle will qualify for this program?

Hon. Mr. Riddell: The confusion does not arise with the provincial government; it arises with the federal government as to how it is going to pay for the slaughter cattle.

However, there should not be any confusion. The province has said it will pay on a pounds-gained basis, and we are trying to negotiate with the federal minister at the present time the beginning weight for slaughter cattle. We would like to see the weight go to 450 pounds, but it is likely we will have to settle around 475 pounds as the beginning weight for slaughter cattle up to somewhere in the neighbourhood of 1,300 pounds for the final weight. That is the weight range we would like, but it is up to Mr. Wise to make a decision on whether he is prepared to go along with it.

3:30 p.m.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Brandt from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 1, An Act to revise the Family Law Reform Act.

Motion agreed to.

Bill ordered for third reading.

MOTION

COMMITTEE SITTING

Hon. Mr. Nixon moved that the standing committee on public accounts be authorized to meet today following routine proceedings.

Hon. Mr. Nixon: Following the discussion in question period and at the suggestion of the House leader of the official opposition, it is suggested they meet briefly so they can order their business for Thursday along the lines of the discussion in question period. I realize this is a bit of an imposition on the members of the committee, but I suggest that a brief meeting might get the matter going to meet the needs of all concerned.

Motion agreed to.

Mr. Harris: Mr. Speaker, on a point of order; it might be a point of information.

Mr. Speaker: I will listen very carefully.

Mr. Harris: It arises out of the previous motion. I understand the clerk is trying to arrange the room right now. Perhaps you will allow the House leader or somebody to announce the room number to the chamber as soon as the clerk gets off the telephone so the members of the public accounts committee will know it.

Hon. Mr. Nixon: The public accounts committee will meet in room 1 when that is convenient for it.

INTRODUCTION OF BILLS

WORKERS' COMPENSATION AMENDMENT ACT

Hon. Mr. Wrye moved, seconded by Mr. Polsinelli, first reading of Bill 81, An Act to amend the Workers' Compensation Act.

Motion agreed to.

LABOUR RELATIONS AMENDMENT ACT

Mr. Mackenzie moved, seconded by Mr. Charlton, first reading of Bill 82, An Act to amend the Labour Relations Act.

Motion agreed to.

Mr. Mackenzie: The purpose of the bill is to prevent the hiring of strikebreakers and to control access to a work premise that is affected by a legal strike or lockout. The bill prohibits the

employer from hiring or using the services of a person to do the work of an employee who is on strike or locked out, unless that person is specifically authorized to do so.

Similarly, when a picket line is established at a place of access to a work premise, access is limited to a person specifically authorized by the bill. The bill repeals the provision of the act dealing with professional strikebreakers and strike-related misconduct.

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Mackenzie moved, seconded by Mr. Charlton, first reading of Bill 83, An Act to amend the Employment Standards Act.

Motion agreed to.

Mr. Mackenzie: The purpose of the bill is to require an employer to provide a leave of absence to any employee who has been elected to provincial or municipal office so the employee may be able to carry out the duties of an elected official.

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Mackenzie moved, seconded by Mr. Charlton, first reading of Bill 84, An Act to amend the Employment Standards Act.

Motion agreed to.

Mr. Mackenzie: The purpose of this bill is to reduce the standard work week from 48 hours to 40 hours in Ontario and to require employers to pay overtime rates for work done in excess of 40 hours per week rather than the current 44 hours per week.

PUBLIC SERVANTS POLITICAL RIGHTS ACT

Mr. Mackenzie moved, seconded by Mr. Charlton, first reading of Bill 85, An Act to provide Political Rights for Public Servants.

Motion agreed to.

Mr. Mackenzie: This bill is designed to give public servants the same political rights all other citizens in Ontario enjoy. It covers civil servants, crown employees, employees of community colleges and people working for agencies such as Ontario Hydro, the Workers' Compensation Board and the Ontario Northland Transportation Commission, but excludes deputy ministers, officers of similar status in crown agencies and other senior policy-making officials.

The deleted sections of the Public Service Act make it illegal for a public servant to canvass on

behalf of a candidate in an election, to solicit funds for a political candidate at any time or to speak or write a letter to the editor on any matter that forms part of the platform of a provincial or federal political party. A public servant may become a candidate for election only after the writs are issued and is effectively barred from being a candidate if a nomination is held before that date. The candidate must take a leave of absence without pay for a period of four to five weeks.

The bill provides that public servants will be able to write, speak, contribute, solicit funds, work, join, hold office and vote on behalf of or for or to a political party or candidate in a federal or provincial election, and protects public servants from punitive action by their superiors or from being forced to carry out partisan duties as a condition of their employment.

HEALTH PROTECTION AND PROMOTION AMENDMENT ACT

Mr. D. S. Cooke moved, seconded by Ms. Gigantes, first reading of Bill 86, An Act to amend the Health Protection and Promotion Act.

Motion agreed to.

Mr. D. S. Cooke: The amendment would establish family planning services, more public health education on the prevention and control of lifestyle diseases and prevention of adolescent pregnancies as mandatory services of the public health units in Ontario.

3:40 p.m.

ANSWER TO QUESTION IN ORDERS AND NOTICES

Hon. Mr. Nixon: I wish to table the interim answer to question 107 in Orders and Notices [see Hansard for Friday, December 20].

ORDERS OF THE DAY

House in committee of the whole.

RETAIL SALES TAX AMENDMENT ACT

Resuming consideration of Bill 47, An Act to amend the Retail Sales Tax Act.

On section 3:

Mr. Chairman: I believe when we broke off yesterday the member for Lincoln (Mr. Andrewes) was discussing subsection 3(3) of the bill. Is there anything further?

Mr. Harris: If the Treasurer will not comment further, I will not.

Hon. Mr. Nixon: I have said all I know about it.

Mr. Chairman: Shall subsection 3(3) stand as part of the bill?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Hon. Mr. Nixon: I believe there is agreement in the House that the votes on the committee stages of these bills be stacked for 10:15 this evening.

Vote stacked.

Sections 4 to 11, inclusive, agreed to.

On section 12:

Mr. McCague: For information, why does the Treasurer deem subsection 35(1a) as set forth in section 12 of the bill to be necessary?

Hon. Mr. Nixon: It is evidently possible, if an assessment is made against a taxpayer in this statute, that rather than require a payment in cash, we can accept some other security in payment. I do not know why it is necessary to put it in there, but I do believe we can accept a form of promissory note if an agreement is worked out to extend the payment over a period of time.

My own experience in the Ministry of Revenue, although it is short, has been that from time to time, and more regularly than I had expected—and this is under the Retail Sales Tax Act—vendors will be found on inspection to be in default of payment. Sometimes this is because the tax has not been collected, and that is often an instance where particularly a new vendor, or someone who is not conversant with the English language or with any of the languages in which our rules are put out, perhaps makes a mistake and does not collect tax for something that is sold.

For example, I know of an instance where a shoemaker did not realize his services were taxable—frankly, I did not know it myself—and the people reviewing this found he was not collecting tax for a taxable service. He speaks English well but does not read it well. We are trying to work out, with the assistance of the member, a situation whereby the onus of payment is reduced somewhat in this case.

There are other instances where the vendor does collect the tax and does not remit. This may be an oversight or it may be that with the pressures of business—a bank note coming due or some bill coming due where he is going to get into special trouble more onerous than trouble with the Deputy Minister of Revenue, and that is

very troublesome indeed—when the time comes to remit the tax he finds he has already spent the money on something else. The tax has been collected and he does not have the money to remit. Our friendly inspectors go out to discuss it with him.

This is fairly serious because it is not his money, it is my money as Minister of Revenue. Under the law that this Legislature has established, it is taken from the taxpayer and remitted to the Minister of Revenue. It has already been spent on something else. This is fairly serious, in particular if it happens over a period of time and there is some evidence it is not what one would call an oversight, and this happens.

Usually, there is some rational explanation of the situation, and we try to make some arrangement whereby the vendor is not pushed into severe financial dislocation. That is not why we are here; we are here to help. Quite often, a note or some sort of security has to be taken, which is the basis of an arrangement for making the payments extending over a period of time. There are, of course, penalties and sometimes fines.

Mr. McCague: The Treasurer will notice in the explanatory notes it goes even to "mortgage, charge or personal guarantee." What is new about the power that is being granted here, over and above the powers he had before?

Hon. Mr. Nixon: I am informed that the power has been there and is not new. If the member asks me why it appears here, I cannot answer that question. It is not a change, I am informed.

Mr. McCague: Why is it there? Does this give the Treasurer some regulation-making power that he does not currently have?

Hon. Mr. Nixon: I am informed that it is not new. The fact that it is put in here under the explanatory notes for the purposes of this bill is perhaps an error that is not significant; it is not a change. What does legal counsel say about that?

Legal counsel says the Ministry of the Attorney General has suggested that although in general creditors have a right to take security—and we would be a creditor in that instance—it is preferable that the crown be specifically empowered. There is no regulation power and no new power; it is what we have been doing. It has been suggested by the law officers of the crown that while it is a proper procedure under law for a creditor to take this security, we should be suitably empowered. My predecessors did this without the specific power.

Mr. Luplesella: I heard the minister, who is also the Treasurer, state that it was the Minister of Revenue's money and not money which—

Hon. Mr. Nixon: Mr. Chairman, on a point of order: That is a phrase which was inappropriate. It is not the money of the Minister of Revenue; it is money for which the Minister of Revenue is responsible in reporting to this House and to the Provincial Auditor and to that larger jury—the people. I do not want to stimulate the honourable member because I realize that the remark was perhaps facetious.

3:50 p.m.

Mr. Luplesella: The minister has tried in a very technical way to bypass the situation of this money, but based on the right elucidation of the explanation he gave us, the small businessmen in Ontario are working for the minister to raise this money. They are actually doing the work for the minister. I wonder what they receive in return from the minister for performing that function. As far as the statutes are concerned, it is legitimate for the minister to raise money, but they are performing work for the minister. I wonder what the minister is doing to give something back to them.

Hon. Mr. Nixon: I appreciate what the honourable member has said. Every Saturday morning when I leave my constituency office, I go across the street to a little store and buy the papers and usually have a discussion about sales tax being collected. The owner of the store is a very good businessman indeed, but he usually says, "You collect a lot of tax from me." In a sense that is right, but the tax is being collected from his customers. It is his customers who pay. The vendor collects the money for the Minister of Revenue on behalf of the Treasury of Ontario.

They do work hard and we do not pay them enough, but we do pay them four per cent of their collection with a \$16 minimum payment monthly and a \$1,000 maximum payment yearly. Interestingly enough, this costs the Treasury \$42 million. It is not enough, but it is the highest rate in Canada, although I may be corrected on that. It does cost us \$42 million. I wish it could be more, but at least it is a \$42-million gesture. They are doing my work for me as the tax collector.

Mr. Luplesella: I appreciate the extension of the explanation of what the minister is doing for them. I did know about that. I am a little bit concerned about the procedure used by the Ministry of Revenue officials when they collect the money from small businessmen in Ontario.

I am extremely concerned in particular about the group of small businessmen on whom, as a result of a computer analysis, as I stated during the course of the estimates of the Minister of

Revenue, that ministry comes down with a total of \$4,000 or \$5,000.

The collection of these taxes for the ministry is legitimate—there is no dispute about that—but taking into consideration the location of the businesses and the income the small businessmen get from the items upon which people have to pay sales tax, it appears that even though they have the right to appeal, there is no notice to the small businessmen that he may be in difficulty.

This is a very serious problem if one takes into consideration sources in Ontario which are not extremely productive based on location. There is not much revenue for them in the first place besides collecting sales tax. In relation to this issue, the ministry could be more open in giving alternatives to individual small businessmen to pay the whole amount of money.

During the course of the estimates of the Minister of Revenue, I argued that the computer analysis is used by his officials to get a certain amount of money for a particular year. I hope the ministry will be more tolerant about this issue and try to find out. The small businessmen need this type of attention, and they should not be pressured to pay the whole amount at once.

I would like to bring to the attention of the minister again that even though they have the right to appeal the statement, I am a little bit concerned that in Metropolitan Toronto, or in other remote areas in which a business is not productive, as I stated before, they are compelled to pay this amount of money unless it is appealed.

I hope the minister will do something about it.

Hon. Mr. Nixon: The honourable member is referring to a very important issue. I should just accept it at that, but since there is a lot of widespread concern about it, I will respond more fully.

The idea of a computer riding herd on a small businessman is not attractive. That is true. It is impossible, however, to have individuals go over the monthly or regular returns from each small corner store, confectionery or variety store. While they do not, individually, have large sales and they may be subject to tremendous competition, the member must realize that huge amounts of sales tax come in from those sales. We might as well face it.

Every time they sell some small item—and they may work hard and terribly long hours—they collect the seven per cent. It comes in on a monthly basis, and that all adds up to \$36 million a day. Some money comes in from the car agencies and all the rest of the businesses that sell

big-ticket items, but a huge amount comes from those small sales.

If the small vendor has the impression we are taxing him, that is in error. I have already spoken about that. If he is marking his stuff up by the regular profit, adding seven per cent and considering that his money, then it must tear his heart out every month when he has to send a cheque to the Minister of Revenue. To have that attitude leads to disaster.

Unfortunately, many small businessmen have been faced with this, because while we do not have rooms full of sensitive people who read the returns, phone up and say, "How are you today?" we do have computers that know that for a certain level of sales which is estimated easily, a certain tax revenue in general terms should be produced. When there is a substantial anomaly, we send somebody out to check the situation. That is basically it. It sounds pretty mechanical, but our business is raising revenue to pay for programs for the province. It is a very lucrative source of revenue.

For those people who have gone into business and do not speak English well, we are trying to put out pamphlets and instructions in the language they do read and understand. Many of them are assisted by business organizations. We like to spend time with those organizations so they can pass on what we consider to be an appropriate response to the tax laws of Ontario.

It is very important and I understand it is very sensitive. For example, the most recent publications were translated into Korean because many Koreans immigrating to Canada have gone into the variety store business. They work long hours, give very good service and we appreciate that fact. It is important that they understand our approach to tax collection here, that they are paid to collect the taxes—I have already said not enough, but it is \$42 million a year.

While the member may think we are aggressively intrusive in this, this year the Provincial Auditor gave the Minister of Revenue and his predecessors very severe criticism for not being tough enough. This year's provincial audit indicated we are assessing the responses of our vendors at about 1.6 per cent of our vendor population. He suggested we should be auditing them not at 1.6 per cent, but at 15 per cent of our vendor population.

That is a huge expansion in audit. We would have to hire 200 to 300 additional auditors with accountants' training. They do not necessarily have to be chartered accountants, but they cannot simply walk off the street or out of grade 12 and

say, "I want to be an auditor." They must have a professional basis to go out and inspect the books with the authority of the Minister of Revenue.

4 p.m.

On the other side, the Provincial Auditor said we are forgoing as much as \$300 million, which is a very large amount of money. He thought if we strengthened the audit we would get that money back. Practically, we have found that by increasing the strength of audits, not only for sales tax but for corporation tax as well, the revenues go up almost arithmetically with the number of audits. I am not sure what that says about the world, but it does not hearten me. We are a very law-abiding community. The avoidance of tax is not sort of a game in this province. People tend to believe they have a responsibility as citizens to pay the proper tax.

We do not feel avoidance is a huge problem, although it is one of concern to the Provincial Auditor and to us. While the member is saying not to be too pushy with these people, the Provincial Auditor is getting very specific in his criticism of the inadequacies of our audit. We are trying to move between those two pressures.

Mr. Luplesella: I do not want to prolong this debate, but I am glad the minister at least recognizes there is a problem that eventually should be corrected. I am sure he recognizes injustices might be committed in pursuing this task of raising sales tax from small businessmen. The previous administration was quite hard on the assessment of property, for example; injustices have been committed there, and we are trying to rectify the situation.

I want to respond briefly to the minister. Even though this task is very important, and there is remuneration going back to the individual working indirectly for the Ministry of Revenue, I remind the minister that the same individual in Europe, by having a licence, is protected from other competitors and his business can be more competitive in the sense that the government does not release the same type of business licence in the same area, which might reduce the profits of the individual.

Here, just for the sake of raising sales tax, one might find 10 or 15 variety stores on a street corner. That is convenient for the Minister of Revenue because in the end he is going to send the assessors to get the sales tax anyway, which is an important task, as I stated, as well as being a legal mandate incorporated in the statutes of Ontario. However, I am concerned for the individual businessman. The government is giving away licences to open stores at a time

when statistics indicate we in Ontario are faced with the serious problem of small businessmen closing their stores completely because they cannot compete and are going bankrupt.

In Europe, the individual businessman is protected because the government protects his business by not giving away too many operating licences in the same neighbourhood. That is good business for the government in relation to sales tax, but it is also good business for the individual because he is not faced with so many competitors on the same street. It would be a good way for the minister to plan his government's future policies in that regard.

Section 12 agreed to.

Sections 13 to 15, inclusive, agreed to.

LAND TRANSFER TAX AMENDMENT ACT

Consideration of Bill 48, An Act to amend the Land Transfer Tax Act.

Section 1 agreed to.

On section 2:

Mr. Chairman: Mr. Andrewes moves that subsection 2(1) of the act, as set out in subsection 2(1) of the bill, be amended by adding thereto the following subsection:

"(1b) Notwithstanding subsection 1, where the conveyance being registered is for land that has erected thereon a single family dwelling that is to be the residence of a person tendering the conveyance, and that person is moving from rental accommodation or is a first-time home buyer, the tax payable shall be one per cent of the value of the consideration in excess of \$75,000."

Mr. Andrewes: The amendment essentially addresses some concerns we have with respect to housing generally. We heard a fair bit yesterday from the Minister of Housing (Mr. Curling) in announcing a new housing policy for the government. We have sensed that for some time there has been a significant shortage of rental stock in this province, and the amendment addresses an incentive to encourage people to move from rental accommodation to permanent homes.

The housing policy set out by the Minister of Housing yesterday is in many ways a commendable policy. It reflects a number of concerns in the industry and a number of concerns of tenants. However, it is a policy that will be put in place at a substantial cost to the government, to this Treasurer (Mr. Nixon) and to the taxpayers of the province. It alludes to a number of things such as co-operative housing, rent/geared-to-income

housing, granny flats and other types of publicly-assisted and nonprofit housing.

Essentially, our concern is that the Treasurer has seen fit to increase the cost of transferring the ownership of real estate, and we are asking him to provide some incentive for renters and first-time home buyers to purchase. It is not a substantial figure. My calculation, which is subject to the scrutiny of the Ministry of Revenue computers, suggests it is worth about \$425 per conveyance; but to some, with today's rising costs, every little bit counts, and even \$425 might be some incentive towards moving out of rental accommodation and buying that first-time home.

I therefore ask the Treasurer and Minister of Revenue and my colleagues in the New Democratic Party to consider this amendment, particularly at a time when housing issues are very current in this Legislature and are a major part of our day-to-day discussions.

4:10 p.m.

Hon. Mr. Nixon: The honourable member really is exempting homes under \$75,000 from any tax, and I can see that this would be very attractive. I wish I could support it.

It is variously estimated. I should introduce to you Derek Rowsell, director of the motor fuels and tobacco tax branch, who is assisting from Revenue, and Leonard Roozen, senior budget adviser, individual and wealth taxation, taxation policy branch at Treasury.

They have costed the amendment—and I appreciate having had a copy of it yesterday—at about \$30 million. It depends on whether people are moving from apartments into new homes, from smaller homes into larger or whatever. However, the ball-park figure is that it is at least a very significant tax concession. I suppose the member would not have made it if it were not significant and something that would be popular.

I asked for some additional information about it. Essentially, it would be a saving of about \$475 on average to a home buyer, which in itself is significant, but I doubt whether it would either draw people into the housing market or keep them out. It would be a significant amount of money, but not a definitive one.

My view is that while it would be nice to give this sort of gift, home ownership incentives apparently are not substantially needed in the present economic environment. I had the great honour of being asked to speak to the Toronto Home Builders' Association last week. In doing some preparation, as I always do for these speeches, and in listening to what they had to

say, I was quite pleased to realize they are extremely busy and probably—I hope—very prosperous.

They are a bit in short supply of skilled labour because their utilization has increased so rapidly, but they are using a good many Canadian products, particularly lumber, which is priced quite well. In fact, from the lumber point of view it is somewhat depressed. They are using a lot of Canadian products, employing totally Canadian labour, producing well-designed Canadian homes and are not able to produce them fast enough—in this part of the world, at least—to meet the demand.

Therefore, while it would be attractive to reduce this as a stimulus to attract people out of apartments and into single-family dwellings or condominiums, we feel it is not economically necessary or even desirable at this time. Interest rates are relatively low in comparison with what many people have been paying on their mortgages in the past few years, and they are dropping slowly. The volatility has gone out of the interest rate fluctuations, we hope for a long period of time, and we hope the drift downward continues. The real estate market is active and getting stronger, and the demand for new units is already outpacing supply.

For those reasons, I am not prepared to accept the amendment.

Mr. Partington: I want to speak briefly in support of the amendment proposed by my colleague the member for Lincoln (Mr. Andrewes) to the original bill, particularly clause 2(1)(c) which increases land transfer tax across the board by 20 per cent by increasing the rate from \$4 per \$1,000 to \$5 per \$1,000 on the first \$55,000 of property value, and from eight tenths of one per cent to one per cent on all values in excess of \$55,000.

I submit to the Treasurer that, contrary to his comments, the tax increase will have an impact on potential purchasers of real property. It is an across-the-board increase of roughly 20 per cent, but as I indicated earlier, since the average resale price of a house in St. Catharines has gone up by approximately 10 per cent between September 1984 and September 1985, the tax on that house will increase by 35 per cent.

A home buyer, who probably got a four per cent increase in pay over the last year, after paying his income tax and all other deductions, has about a three per cent increase. Yet he has to pay a 35 per cent increase in the land transfer tax, and there is no deductibility aspect to that.

I mentioned St. Catharines, but Toronto is no different. In 1984, the average price of a resale home in Toronto, which is a much higher-cost area to live in for some reason, was \$102,000. That increased in 1985 to \$112,000, which is a 10.3 per cent increase. When we work out the tax on that house, there will be a 34 per cent increase over last year.

In the statement delivered yesterday by the Minister of Housing, he said there is a need to provide a housing policy that is fair and just for all. I would like to ask the Treasurer whether it is fair and just for all to increase the tax on a home purchase by 35 per cent in one year and then by 20 per cent over the traditional tax rates in the ongoing years.

The Minister of Housing said all residents should have access to a basic need; that is, adequate housing at reasonable costs. The challenge is to make basic affordable housing available to everybody in Ontario. We should have a building industry strategy that promotes employment. On the one hand, we should have fair, basic, affordable housing; but on the other hand, purchasers of property have a 35 per cent tax increase.

The member for Lincoln indicated, as I think the Treasurer did, that \$475 is the average tax increase. Taken alone, that might not be onerous, but when taken with all the other fees that have to be covered in buying a house, including the mortgage insurance fee of one per cent, survey costs and legal fees, a person buying a \$60,000 house and putting \$10,000 down sometimes has to put \$3,000 up front to buy the house.

In the housing statement we received yesterday, we saw a tremendous emphasis on rent review and on subsidies to encourage refurbishing of old rental buildings. However, there should also be a thrust for the private sector. Instead of having continuing government handouts, this government could let individuals help themselves by withdrawing the tax.

The tax is not the only thing that is discouraging investment in housing. There is the impost fee that municipalities impose at the rate of several thousands of dollars per lot up front. Taken with interest, it makes the burden increasingly difficult when purchasing property.

4:20 p.m.

Hon. Mr. Nixon: Did the member want to refer to legal fees at this time?

Mr. Partington: I did. They are part of the package, but the land transfer tax has far outpaced legal fees in recent years.

The minister has an opportunity to impose a principle that would encourage housing and reduce vacancy rates. I am sure many people would like to move out of rental accommodation and into home ownership. Perhaps a start would be to follow my friend's suggestion of exempting the first \$75,000. The Treasurer mentioned that would be \$30 million.

We have \$500 million in the minister's housing statement, \$100 million of which is to pay existing private owners of apartment buildings to renovate their own buildings. They should be doing that out of the rent generated from their buildings. They should not be looking to the government for a handout, or they should not have to.

The \$30 million probably would be money well invested. It would increase the availability of rental units, increase jobs and promote this economy.

Mr. Haggerty: It is like legal aid for lawyers.

Mr. Partington: I am thinking about the people in the riding of the member for Erie (Mr. Haggerty) who would like to buy houses and are finding it increasingly difficult to do so. If we were to stop taxing them at a substantially increasing rate, such as 35 per cent in one year, perhaps they could move out of their apartments and into houses, and create more jobs for everyone.

Mr. Haggerty: The same residence or house is \$15,000 less in Fort Erie than it is in St. Catharines.

Mr. Partington: But that is a problem I know the member for Erie is going to address one of these days.

In summing up, there seems to be a tremendous conflict between the position of the Treasurer on land transfer tax and the position of the Minister of Housing on housing. We must have a housing policy that is fair and just for all. That requires a fair tax on housing, not a 35 per cent increase.

My colleague the member for Lincoln has submitted a reasonable amendment. There are many things to do. Perhaps the Treasurer should tax a sale. In that way he would get the same amount of money from every house transaction, but it would allow the first-time home buyer to get in without having to cough up money up front.

I suggest the amendment by the member for Lincoln should be supported. That would be in keeping with the housing minister's policy to be fair and just to all, not only renters but also home owners.

Hon. Mr. Nixon: The honourable member spoke as if these were 35 per cent increases. I am informed that the cost of the house would have to be in the \$1-million range for the increase to be 35 per cent. The highest percentage is 25 per cent and for a \$100,000 house it is 17 per cent.

Although the percentages are larger than I would like, the actual amounts being charged are very little. The increase on a \$100,000 house is only \$100.

Mr. Partington: If I could reply: in 1984, the average resale home in Toronto was \$102,318. In 1985, it was \$112,831; an increase of 10.3 per cent. Last year, the tax collected on the average resale house would be \$638.50. That is applying the old tax rate on last year's house value.

Hon. Mr. Nixon: The member is factoring in the increase in the value.

Mr. Partington: That is the 35 per cent increase.

Hon. Mr. Nixon: Does the member not want the prices or the resale value* to go up?

Mr. Partington: Apart from that, I said in one year it is a 35 per cent increase. Forgetting the one year, overall it is roughly 20 per cent, but this year it is 35 per cent. The increase on \$100,000 is from \$620 to \$725. In one year, the tax burden increases by 35 per cent on the average sale price of a house in Toronto or St. Catharines. But I agree with the Treasurer.

Hon. Mr. Nixon: The sale prices changed during the year.

Mr. Partington: That is right.

Hon. Mr. Nixon: Of course; they have gone up, they have appreciated.

Mr. Partington: But one has the tax and then one has another amount. Anyway, we both understand that.

Mr. Harris: What we both understand and the Treasurer acknowledges—and he is very proud and pleased and grinning from ear to ear—is the ad valorem aspect of this tax. He is delighted when it comes to the housing industry and the people who are struggling to move from rental accommodation into the housing market, to fulfil what to many young people and to some not-so-young people is their ambition and dream finally to own a home, so as to be able to take advantage of the increase in value that so many people who are not home owners see others being able to take advantage of.

I sometimes question whether the honourable Monty Python is concerned about some of the crap that is on television these days about buying

property for no money down, all based on jumping on and being on the bandwagon.

Mr. Foulds: Did you say Monty Python?

Mr. Harris: I am sorry; Monty Kwinter, Minister of Consumer and Commerical Relations. Excuse me.

I think this is another area the government may want to look into. I believe some misleading statements are being made on air night after night as to how people can—

Hon. Mr. Nixon: The member is watching too much television.

Mr. Harris: I cannot seem to get away from it. I sit there with my flipper and try to flip away from it, but when I get another channel it is on it, too.

It has helped to promote, not necessarily the myth but the fact that if one can manage to own one's own home, it will appreciate in value and be one of the few forms of tax-free appreciation that may be left to one. That is a very desirable goal for many young and older people who have not hitherto been able to own their own homes and experience that great windfall.

Because the land transfer tax is an ad valorem tax, that windfall and increase in value gives the Treasurer an increase in revenue without even increasing the ad valorem percentage he now wishes to apply to the land transfer tax. This is not the only tax increase that bothers me, but it is perhaps the one that bothers me more than any other.

On the one hand, we have the Minister of Housing talking about the great housing crisis and the shortage of apartments. By the same token, we have the Treasurer now not only allowing the ad valorem tax to carry on in the land transfer tax but also increasing the ad valorem tax percentage.

It is a regressive form of taxation that tends to discourage the construction of houses. It is a further impediment in the way of potential tenants and first-time home buyers being able to get out into the marketplace to purchase a first home. I guess the other thing is that it is one of the hidden taxes.

I call it a hidden tax because most people do not even realize it if they are not in the business of buying and selling houses, or unless they have owned a few homes and have finally seen on the bill that comes from the lawyer the land transfer tax component of the lawyer's bill. They are not aware there is such a thing as a land transfer tax. From that point of view, it is an additional hidden tax that perhaps not many people are aware of.

4:30 p.m.

In view not only of this continued ad valorem aspect but also of the increase to the ad valorem, our colleagues took a long look at land transfer tax. We balanced that with what was being done in the housing market and in the availability of rental accommodation, and that is why we devised and moved one of the most progressive amendments that has been before the Legislature this session.

I was out; maybe members to my left in the New Democratic Party spoke already in support of what is a very progressive measure. I apologize. I had to go down to the standing committee on public accounts. If they have not, I am surprised they have not and I hope they will be speaking on this amendment which we tried to provide to them in time so that they could caucus it this morning and see what a progressive amendment it is.

The figures we are talking about exempt the first \$75,000 from this ad valorem land transfer tax, only for those moving out of rental accommodation or for those first-time home buyers who, if they are not moving out of rental accommodation, would presumably be moving out of their own home and entering into the marketplace to either rent—and we all know how difficult the rental situation is—or buy a home. This exemption will cost the Treasurer \$475 per transaction.

Mr. Callahan: Plus several million dollars to police it.

Mr. Harris: I do not think it would cost anything to police it. It is very verifiable. The person would have to provide documentation that his principal residence—

Mr. Andrewes: The lawyer is looking for more work.

Mr. Harris: The member for Brampton (Mr. Callahan) has so little faith in human nature. I do not think it is very difficult to ascertain that somebody's principal residence was a rented premises and he is now going to buy a home.

We are talking about a \$475 incentive. What incentive is the government providing to create rental units? One must understand that for \$475 worth of encouragement, two things happen. Let us look at the rental side of it. A rental unit is freed up and made available in the marketplace for the sum of \$475.

We were witness yesterday to some high-faluting housing policies that talked about providing builders \$5,000, \$7,000—it seemed to me one could get up to \$10,000. I do not have the

figures in front of me and I confess I have not had an opportunity to read through all the housing information that was tabled yesterday, but we are talking about \$8,000 that the government is prepared to give a developer to build a unit, and yet it is not prepared to look favourably on a \$475 contribution to encourage a person to vacate a unit, which has the same effect of putting a rental unit on the market.

The Treasurer has said what we are talking about totals \$30 million, in rough terms. He is making a projected, ball-park guess in coming up with that \$30 million. We see the revenue projections from land transfer tax in the budget will increase by \$23 million or \$24 million. We are suggesting, in a very progressive amendment, that the Treasurer not increase land transfer tax this year.

The net effect would be to not increase it, except that it will be increased for those who already own a home and are buying another home or for those who are buying expensive homes. There we will see increases in the land transfer tax. In a very narrow-focused, progressive way, the beneficiaries of what we are proposing will be those people who will be able to move into that vacant apartment unit or that rental unit that is vacated and the people who will be encouraged to buy their first homes.

We are talking on the one hand of the government saying, "We are prepared to give grants of \$5,000, \$7,000, \$10,000." I suspect, as the government begins to have difficulties in obtaining anywhere close to the numbers we are talking about, it will probably be willing to offer any amount of money for somebody to build an apartment unit, and yet there is a reluctance to accept an amendment that would cost the government \$475 to put that unit out there. At the same time, it would encourage the construction of new housing, the home building industry, the construction and real estate industries, and perhaps lawyers could make even a little more money if there were more transactions taking place in the marketplace.

Mr. Foulds: That might make up for the lost QCs.

Mr. Harris: That is right, and perhaps make up for the cost of removing QC from their letterheads, envelopes, brass plaques and what not.

I would very strongly urge the Treasurer to reconsider his position on this tax. I would very strongly urge my colleagues to the left to take a look at the amendment that has been proposed by my colleague the member for Lincoln.

It is a very progressive amendment that will still leave considerable land transfer tax on those who already have homes and those who are buying expensive homes, but will benefit those people who most need help and will be far more effective in the way of a housing policy and providing rental units across Ontario at far less cost and certainly very minimal, if any, administrative costs compared to the types of elaborate grant programs and schemes that are being proposed by the Minister of Housing.

If he is not prepared to accept this amendment, I look forward to hearing from the Treasurer the reasons he feels so strongly about increasing this ad valorem tax; why he feels so strongly that a \$475 cost to the province does not make more sense than an \$8,000 or \$10,000 cost being proposed by his Minister of Housing.

I will be very interested in hearing from the New Democratic Party, given the new rules of the Legislature, whereby all tax measures are to be decided by a majority of the Legislature and not by the government, the Treasurer or the Premier (Mr. Peterson), why they feel this progressive amendment does not make sense at this time in the history of Ontario and at this point of the chronic and crisis situation we are in, the rental accommodation situation the province has now.

Mr. Foulds: I have listened to the debate on both sides of this question with growing interest and fascination. The amendment put forward by the Progressive Conservative Party is, for them, a substantial move towards progressivity. It is too bad it came while they were in opposition, when they could be fiscally irresponsible.

4:40 p.m.

Taking into account Proudhon's famous dictum about property—that is Proudhon, the French political philosopher, not Prudhomme the owner of Vineland or a motel down on the Niagara Peninsula—and taking into account the sense of fiscal responsibility that has always been the hallmark of the New Democratic Party, we believe the clause that is printed in the bill should stand for this budget. I would recommend, however, the modestly progressive idea put forward by the Conservative Party for the consideration of the Treasurer in his next budget.

Mr. Brandt: I am delighted to support the proposed amendment put forward by my colleague, because I am sure the Treasurer is aware that if there is an incentive that should be proposed in this budget, it is one in which the first-time home buyer will be encouraged rather

than discouraged to move into his own accommodations.

The amendment very specifically points out that we are talking about people who are moving from rental accommodations to ownership. It calls—and very wisely, I might add—for a limitation on the value of that first-time home of \$75,000, which does put a ceiling on it. In no way can it be looked upon as being a tax write-off and/or benefit to those who are rich.

I am sure the Treasurer in his wisdom, recognizing the populist positions he puts forward on so many other issues, will recognize the validity of an amendment that encourages those people who are currently renting apartments to move into their own accommodations, their own homes. It is one of the most specific ways, I would suggest to him, that we can ease the rental crisis we have in this province.

We spend all kinds of money on low-cost, geared-to-income rental accommodations and we spend many millions of dollars through grant programs and other inducements to assist those who are living in apartments. Yet one of the most direct ways in which we can ease the kind of crisis we are faced with today is by having some of those people move into their own homes.

There is also a philosophical reason. I do not want to get overly philosophical at this time, but I think any government that does not encourage the ownership of private property, the pride that goes along with owning one's own home, is a government that has really lost sight of what a society should be all about, namely, to accept that kind of responsibility in the light of what it means to the family and to those individuals who are able to move from rental accommodations to their own homes for the first time.

In years past, we in Ontario have recognized that this sense of responsibility is far more direct with people who live in their own homes, and the very specific reason the amendment was put forward by my colleague was to encourage those people to move into their own accommodations and to free up those rental accommodations.

As well, the responsibility factor I touched on is a very real one. People do take pride in home ownership. They do take pride in owning their own little piece of property so they can look after it and take the pride in it that is so valuable in owning property.

That is exactly why the members of the New Democratic Party are having some difficulty in not supporting this amendment. They can see it is an amendment that strikes at the very heart of part of the problem we face in this province, namely,

the limited number of rental accommodations we have at the moment and the encouragement we should be providing for people to move into their own homes.

I would strongly urge the Treasurer to reconsider his position and to look at the propriety of the amendment proposed by my colleague. It is certainly an amendment I am very proud to be able to speak to and very proud to be able to support.

Mr. Andrewes: I have just one or two points I wish to add, because it has certainly become clear through the course of this debate that the New Democratic Party is going to decline to be part of progressivity and will leave the bill as it is proposed here and will not support our amendment. It surprises me to some degree, particularly when that party stood up yesterday and applauded this new housing policy.

I could recite at length the current figures and those of October 1983, 1984 and 1985 relative to vacancy rates and the availability of rental accommodation. Here we are providing what we feel to be a very progressive amendment that would not simply assist but also encourage people to seek that final little nest for which they have been looking for quite some time.

Perhaps \$475 is not the biggest piece of bait the government could offer people, but it is substantive. In total, the Treasurer has said it would amount to some \$30 million. I make a rough calculation that, by way of this increase in the land transfer tax, the Treasurer anticipates an additional \$23 million. Of course, that includes rising values in real estate.

However, as my colleague the member for Nipissing (Mr. Harris) has pointed out, what we have done in this proposed amendment is designed to free up rental accommodation and encourage activity in the house building industry. Although the Treasurer tells us that activity is at its peak at the moment, I can hardly believe that a challenged industry like home building in Ontario would not be able to meet a further demand.

The member for Brampton (Mr. Callahan) interjected at one point and started to enumerate the difficulties there would be in attempting to verify how individuals would qualify for this grant. Perhaps that is where the title QC came from. It was the qualification certification. Perhaps the member might want to embark on a little more of that and reinstate his status in that profession.

I have to say that my colleague from Carleton-Grenville (Mr. Sterling) found a novel way to

deal with this question of QC. He put a circle around it and drew a line through the circle. I am sure that will now be patented and circulated to all lawyers. They can appropriately stamp their stationery so it meets all the specifications the government has now set down for that industry.

Hon. Mr. Nixon: That would be just enough to justify fee inflation.

Mr. Andrewes: I am told that my colleague the member for Leeds (Mr. Runciman), who wished desperately to speak on this particular amendment, is unavailable at the moment, so we will rest our case.

Hon. Mr. Nixon: Just before the member for Nipissing indulges himself further in his newfound luxury of being in opposition—I told him he would like it—I want to say again that I do not mean to imply that the house building industry is fully extended. I do not believe it is. There are not many houses being built in some parts of the country, for example, in Brantford. There are probably some areas in southwestern Ontario with a street of houses where one could buy any one already built for about \$45,000 or \$50,000. I was talking about metropolitan areas where the business is booming.

I do not really think \$475 is enough bait—I think that was the word the member used—really to make a vacancy rate of significant proportions in the rental accommodation—which is certainly under pressure, that is true.

As a matter of fact, I admit the official opposition is very much in the fine tradition it established. One has to go back to 1975, when the then Treasurer, that great budget balancer W. Darcy McKeough, just before we got into an election campaign, dreamt up a concept called the first-time home ownership grant of \$1,500 for everybody. In 1975 dollars, that cost about \$140 million, which would translate into something under \$400 million now.

If we look at the record, there was no indication at that time the home building business needed substantial stimulation. It is hard to determine what the real motive would be for this distribution of \$400 million to the province's home owners. That, coupled at the same time with removal of the sales tax from automobiles and white goods for a limited period of six months—just long enough to be convenient—added an additional burden to the budget of \$600 million, which I think would conservatively translate to about \$1.8 billion now.

We can never say the official opposition were pikers in their responsibility in government. I am not sure whether that word is parliamentary, but

they were not pikers when it came to buying things they wanted to purchase.

In this instance, the \$475 is not really the sort of initiative that is in the tradition of the Conservative Party. I do not think it is necessary and I hope it will not be supported by the House at this time.

In this connection, the member for Port Arthur (Mr. Foulds) was referring to a philosopher named Proudhon, who is his guiding light and guru. In all the banter back and forth about Proudhon, we did not really get the gist of his dictum. But the honourable member said it to me, and it was so much an indication of his philosophy, as well as one the House would find interesting, that I would like to tell members what Proudhon's dictum is. In the words of the honourable member, of course, it is, "All property is theft, so let us tax it." Think of that.

Mr. Foulds: Mr. Chairman, to correct the record—

Mr. Chairman: Correct your own record?

Mr. Foulds: The quotation marks end after "theft."

Mr. Harris: I thank the Treasurer for correcting the record, which I was about to rise and do, for the member for Port Arthur, who had indicated that he wondered why the Conservative Party at this time was coming forth with an amendment of this type. The Treasurer has correctly responded that it is very consistent with policies that this party had taken when it was in government. He referred to the first-time home buyer grant.

It should not surprise the New Democratic Party, then, that we have striven as a party for a long time to try to encourage the availability of housing, the fulfilment of the dream to buy that first home and to alleviate the shortage of rental accommodation. The amendment ought not to be one of surprise to the New Democratic Party. I thank the Treasurer for pointing that out.

Let me go a little bit further, although that is all I had really planned to say. However, in pointing that out to the members of this Legislature, in what I felt was a very arrogant or blatant way, he tried to impugn motives for this party's long-standing commitment to provide assistance to the housing industry and to those people who strive to own their first homes. I think the Treasurer said members of this party were not pikers when it came to standing up for those people trying to buy their first homes or in trying to come forth with programs that would alleviate the critical shortage of housing and rental accommodation. I concur with that.

To impugn any motive other than that is a little insulting to the members of my party and it is very unbecoming of the Treasurer to associate himself with remarks such as that.

Hon. Mr. Nixon: If the shoe fits, wear it. I am sorry to be arrogant.

Mr. Harris: To confirm he was arrogant, he apologized, but he admits he was arrogant in that apology. I hope that interjection is on the record, because I want to refer to it.

The Minister of Housing has now entered the Legislature. I assume he was called in by the Treasurer or by Hershell Ezrin to respond to the amendment we have proposed, as to why \$475 is not a meaningful way to try to alleviate the housing shortage problem. I invite the minister to comment on the amendment we are putting forth. On behalf of the government, why does it not make sense?

Hon. Mr. Curling: I will reserve my comments.

Mr. Harris: With great respect, I was inviting comment. I might conclude my remarks by pointing out the Minister of Housing had none. I construe that to mean what he thinks of those high-faluting housing policies that someone wrote for him and which he demonstrated in question period today he had not even read, let alone understood. Someone convinced him that, while they may not solve the housing problem, they will help his political problem of not understanding what the hell is going on in the housing crisis in Ontario.

I regret the minister does not accept my invitation to explain what little he may know. I hope it is more than he demonstrated in question period today.

Mr. Lupusella: Briefly, I would like to bring to the attention of the minister that comments made when members get up from their opposition benches make sense most of the time, especially when the ministers ignore our comments, but we cannot play these types of games at our political convenience.

I think the Treasurer is overly enthusiastic on the issue of collecting taxes in Ontario where citizens are overtaxed. Each item we buy in the house or the land and every time we move, there is a loophole for him to raise taxes all over the place. Even though it makes sense for the Treasury, most of the time it does not make sense for the citizens of the province. When they do something, they are penalized by this extra form of taxation, just because the Treasurer has to

increase his revenues and get money from somewhere.

5 p.m.

I would like to discuss with the Treasurer today under Bill 48 the fact that in the past Liberal members showed some sort of concrete concern about land in Ontario that was taken over or transferred to foreign individuals who did not live in Ontario. It was a good way of moving capital from one country to another, using the infrastructure of the existing law in Ontario and getting some financial benefit because they did not actually pay both.

I would support the minister if he increased the amount of tax for foreigners who use the infrastructure or the legal means in Ontario to buy and have land that lies dormant for five to 10 years, because a process of speculation is taking place. In the process, the minister would have an opportunity to increase the amount of tax when land is bought for speculative purposes by these individuals, companies or corporations, which are located not in Ontario but, for example, in Europe or the United States.

The minister is not putting teeth where they are supposed to bite. With this bill, he is penalizing the regular citizen who is buying a parcel of land to build his first house. The biggest speculators are moving and going through land transactions when they do not even live in Ontario. I think the minister has an obligation to raise taxes for those people.

For example, in the past the Liberals complained that our agricultural land is dominated by foreigners and we do not even know who the owners are. The land is dormant; it is not cultivated and is not productive. These land transactions reach millions of dollars. People or corporations located elsewhere, outside the jurisdiction of Ontario, are treated equally to the regular citizen of this province who tries to buy a parcel of land to build his first home. That process is unfair.

Instead of penalizing, overassessing and over-taxing citizens of Ontario, I hope the minister will start tackling the serious problems affecting our economy in the near future.

Mr. Chairman: All those in favour of Mr. Andrewes's amendment to subsection 2(1) of the act, as set out in section 2(1) of the bill, will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 2 agreed to.

Sections 3 to 11, inclusive, agreed to.

Bill ordered to be reported.

TOBACCO TAX AMENDMENT ACT

Consideration of Bill 49, An Act to amend the Tobacco Tax Act.

Mr. Chairman: Are there any sections the members wish to refer to, amend or comment on; and if so, which section?

Mr. Lupusella: I have a short comment. I made my remarks on this bill on second reading. I asked the minister whether he could give us a guarantee that he would spend some of the revenue he will get from the Tobacco Tax Act—

Mr. Chairman: Excuse me. I am trying to establish whether there are any sections that any member wants to refer to, amend or comment on. The member for Lincoln (Mr. Andrewes) has indicated he wishes to speak on section 2. Are there any other sections that need attention? No.

Section 1 agreed to.

Mr. Chairman: To which section would the member for Dovercourt like to refer?

Mr. Lupusella: I want to comment on the title of the bill. Perhaps the minister can reply.

Mr. Chairman: The title of the bill is section 10.

Mr. Lupusella: Section 10? Okay, I will wait. On section 2:

Mr. Andrewes: I rise only to speak in support of the bill. In this bill the Treasurer is planning to forgo some \$22 million in revenue from the tobacco tax, to move from \$583 million to \$561 million.

Hon. Mr. Nixon: The projected revenue is an increase.

Mr. Andrewes: That is not the way it is printed in the budget. It is projected to drop from \$583 million in 1984-85 to \$561 million, some \$22 million.

Hon. Mr. Nixon: That reflects the drop in volume of tobacco. It is an increase in rate.

Mr. Andrewes: It is an increase in rate, but a drop in consumption will offset the revenue.

Hon. Mr. Nixon: I should not have interjected.

Mr. Andrewes: My first question was to try to seek clarification about why the rate increased and yet the revenue fell. That is now clarified.

Generally, this move has been well accepted in the industry, particularly since it comes at a time when that industry faces a good deal of stress. It

will perhaps add some stability to the planning of the industry and, I hope, some incentive for the necessary restructuring and rationalization that will go on.

I did notice that the industry has struck a new agreement between the manufacturers and the growers for the 1985 crop. The industry has gone through a very difficult set of negotiations. There has been a fair bit of rancour and long, protracted discussions about the price for the 1985 crop.

The well-structured negotiations that had taken place in prior years—and there may be some differences of opinion about how well structured those negotiations were—at least assured that agreements had been entered into before growers went into the fields and planted their crops; they were able to plan their production and their harvest in a reasonably secure environment. That did not take place this year. The board went ahead and allocated a quota to producers but had no guarantee from the processors that quantity would be purchased.

5:10 p.m.

Although this agreement now has been reached whereby 170 million pounds will be purchased from the 1985 crop at a guaranteed price that is above the 1984 level, there is still a good deal of frustration in the industry. Naturally, it comes about as a result of declining consumption and prices, but basically because of declining market potential for a commodity that gave a substantial income over the years to the producers involved.

It used to be the case that products surplus to the domestic requirements—domestic meaning the Canadian market as a whole, not specifically the Ontario market—found their way in fair volumes into markets in Britain and elsewhere because of the very high quality of tobacco that was produced here and because it was not grown extensively in other parts of the world.

That has now changed and many of the Third World countries have found that tobacco is a crop they can produce and market effectively and one from which they gain substantial revenues. The Ontario industry, after living through some fairly good times, now finds itself faced with some major difficulties in restructuring.

In the background to all of this is the health debate about the detrimental affects of smoking. My friend the member for Dovercourt no doubt will want to add considerably to that discussion, because he is one of those reformed smokers who is so proud of the fact that he wants to tell everybody about it. There is nothing more sanctimonious than a reformed smoker.

Mr. Foulds: Except a reformed Tory.

Mr. Andrewes: I have gone through the process myself several times and decided I would stop reforming and stop being sanctimonious.

Mr. Foulds: Reformed Tories are pretty sanctimonious today. The exception is the member for Sarnia (Mr. Brandt); it is impossible for him to be sanctimonious.

Mr. Andrewes: I am sure the member for Port Arthur (Mr. Foulds) has done a fair bit of reforming in his time.

Mr. Foulds: Absolutely.

Mr. Andrewes: If not, he should start. It feels good once in a while.

The great health debate rages on. There are pros and cons on many sides of that issue, but I think the issue has been joined by municipalities and many municipal politicians who feel compelled to implement anti-smoking bylaws and further restrict the rights of those who indulge periodically.

Hon. Mr. Nixon: Delhi had not passed that yet.

Mr. Andrewes: I do not imagine they smoke around the pumps at Earl's, but I bet a fair cloud drifts out once in a while from the back room.

The search goes on for substitutes to these crops, which have given those who produce them a substantial income over the years. The search goes on for alternatives to tobacco. It is a crop for which one does not need more than about five acres to supply the world, but it is a commodity that no doubt was suitable to the very sandy soils of southwestern Ontario. Therefore, the industry grew up there, and now those who are engaged in it find themselves faced with some rather rigorous adjustments.

The specialized soils and culture that were part and parcel of that industry are forcing those involved to desperately search for alternatives that will not only yield them a reasonable income but yield them an income, period, given that these soils are specialized for tobacco. It is an industry in transition, and it will have to be watched very closely by the Minister of Agriculture and Food (Mr. Riddell) and those responsible for the agricultural industry in this province.

It is also an industry we can be somewhat flippant about. It seems to be popular to be on the side of those who advocate banning smoking and cigarette advertising. However, there are times when many of us recognize that the tobacco industry comes to the rescue of various events that suffer financially, which is often forgotten by those who castigate that industry.

We must be mindful of that. I know the Treasurer is, because he must have a number of constituents who are quietly engaged in this industry. Let us be mindful of the adjustment that needs to take place here and be prepared to ante up when we find our way out of these murky waters.

Mr. Grande: I want to speak briefly to section 2 of this bill on the tobacco tax and the cost that not only the province but also the whole country pays because of tobacco.

I understand what the member who just spoke was saying about protecting and being sensitive to the tobacco farmers in this province. One should be sensitive to them and should see that they do not lose the capital and the money and energy they have invested. However, I am one of the people who believe those farmers should be encouraged to move into other areas of farming.

To that point, and because the member was talking about municipal councils getting into the anti-smoking issue, I want to put on the record the resolution that was endorsed by the city of York board of health regarding tobacco products. Until I read it, I did not appreciate the cost to society as a whole of the weed, the cigarette, tobacco. It says:

“According to Health and Welfare Canada, more than 30,000 Canadians, that is, one Canadian every 70 minutes, die annually from using tobacco products. Although 16 years ago 52 per cent of all adults were smokers and today there is only 36 per cent, the Ontario Flue-Cured Tobacco Growers’ Marketing Board has asked Ottawa to set up a national marketing agency; whereas in 1982, according to Health and Welfare Canada, smoking cost the country \$7.1 billion in lost income, health costs and fire losses;

“And whereas the industry’s benefit to the economy in that same year, including tax revenue, totalled \$4.1 billion; and whereas it seems that tobacco imposed a net drain on Canadian society of \$2.7 billion, or \$700,000 per tobacco farm; and whereas to recommend saving an industry at the cost of increased diseases and death for the rest of the population can only be considered socially irresponsible; and whereas it is well known that the international tobacco companies are trying to make up for declining sales by launching sales drives throughout the Third World, peddling nicotine and high-tar cigarettes;

5:20 p.m.

“Let it be resolved that the board of health recommend to the Minister of Health and

Welfare that he: (1) reject the proposal to establish an international marketing agency for tobacco; (2) introduce a comprehensive legislative program to deal with the tobacco epidemic; (3) develop a strategy and program to phase out all tobacco production, in part through assistance to those farmers who shift towards the growing of alternative crops in co-operation with the Ministry of Agriculture and Food; “(4) introduce measures to halt the export of Canadian tobacco products in co-operation with the respective ministry;

“and further, that the Board of Health send this resolution to the following organizations for endorsement: the Board of Health for Toronto, North York, East York, Scarborough, Etobicoke, Metropolitan Toronto Liaison Committee, Association of Ontario Boards of Health, etc., and to other individuals, members of provincial parliament”—myself and the member for York South (Mr. Rae)—“and members of the federal Parliament, the House of Commons.”

I thank members for their indulgence in allowing me to put this on the record. I felt it important that these facts, and basically any facts that come out of the city of York, are good facts to put on the record. The members of the Board of Health of the city of York are to be congratulated for sending us this very important resolution.

Mr. Lupusella: Instead of waiting until section 10, I will make my short remarks based on the speech my colleague the member for Oakwood just made.

The member stated the concern in relation to this problem which is affecting the health of the citizens of this province. As part of the long-term solution to the problems affecting the consumption of tobacco in Ontario, and to protect the health of the citizens of this province, I ask the minister to make a commitment to this Legislature that, based on the revenues he will get from this bill, he will initiate an aggressive campaign to tell the public of this province how dangerous it is to smoke.

The approach used in this type of campaign will actually result in saving of expenditures by the Minister of Health (Mr. Elston) as well. What we are asking for is fair. The government knows how dangerous the consumption of tobacco is, and the government has an obligation to protect the health of the citizens of this province by initiating this aggressive campaign as soon as possible.

Hon. Mr. Nixon: I appreciate the views expressed by the honourable members, particu-

larly the member for Lincoln whose comments were quite helpful in addressing the problem faced by the tobacco industry. The revenues this year are showing a fairly small decline, from \$583 million last year to \$561 million, but there is a proportion of the sales tax that should be put in there, so the all-in revenue is approximately \$600 million. That is a substantial take from the industry.

The sales have been decreasing year by year, by as much as—at the depth of the decrease—about four or five per cent. Members might be interested to know that the projection for decrease in sales this year has declined now to about two per cent. The change in attitude of the community continues, not at such a great rate, for reasons that I cannot explain, but it is, apparently, factual.

I join the member for Lincoln in expressing satisfaction that the tobacco growers and the cigarette manufacturers have reached an agreement involving this year's crop of 170 million pounds. We must remember that just a few years ago the crop, and it was all sold, was in the 230 million pound range, so it is down substantially. I expect that next year the Ontario Flue-Cured Tobacco Growers' Marketing Board may decide to approve a somewhat smaller crop projection, although, of course, I do not know about that.

Although there was a good deal of difficulty in the negotiations over many months between the tobacco growers and the manufacturers, and the auction of the tobacco crop did not open at the usual time—in fact, it has not yet opened, as far as I know—it may even open a few days before Christmas, but it is more probable it will open early in the new year and the 170 million pounds will be auctioned.

The province was represented by the Minister of Agriculture and Food in these negotiations, but the federal minister took a leading role as well. It was he who got the two sides together in Ottawa and, as he said, put them in a room, locked the door and threw away the key. I do not know whether he literally did that, but I understand the negotiations went on for many hours.

I am quite aware of the importance of the views expressed by the two members from Metropolitan Toronto, and I know they reflect strongly held views by many responsible people. I am not prepared to take sides other than on behalf of my constituents—my constituents not as Minister of Revenue but as the member for Brant-Oxford-Norfolk.

I invite all members to get in their cars during July and August, assuming the House is not in session, take their families and go for a three- or four-hour drive through rural Ontario—

Mr. Foulds: I did that last summer.

Hon. Mr. Nixon: Okay, very good. Go up through Brantford, see the beautiful Six Nations Indian reserve and stop for tea at the Nixon farm in South Dumfries. My wife will be cutting the lawn, but I will be glad to welcome members. Drive on into Norfolk county, where the tobacco farms are located, meet the people and see what has to be the garden of the universe. It is totally beautiful. There is not a weed; there is nothing out of place. The farms are in perfect order, and over these many years these farmers have been the most profitable in North America, I would say. One cannot possibly question their efficiency and their goodwill.

One can imagine how difficult it is for them to listen to the views expressed that they are growing and selling death. It is a terrible situation on both sides, honestly. I wish I could do something about it. My own projection is that we are going to be selling and using tobacco for a long time, and those tobacco farmers who are established and who are not struggling with the kind of debt that, in our present economic situation, is impossible are going to continue to produce. It may be that governments of the day in the future will decide that some other action should and can be taken. This is quite possible. I invite people to go into that part of the world.

The member for Lincoln mentioned the light soil. I may have mentioned this in the House before, but when I first became interested in politics at the age of six, we would be bundled into the family Essex car—not everybody remembers those, but they were very smooth and keen—followed by a DeSoto and then by a LaSalle, and I would go with my father to make constituency calls in that part of the world.

Back in the 1930s, before the tobacco crop, this was a very depressed part of the world because the soil variety, known by professionals such as the member for Lincoln as Fox sand, does not grow very good crops. The farmers tried to grow oats and wheat, have a few cows and some corn and so on, and it was terrible. My dad once mentioned that probably 80 per cent of the people in those rural townships were on relief, as it was referred to in those days. The Fox sand that was not properly tied down by crops or trees—the trees had been stripped off—would move in the wind and blow across the roads. It was a terrible

moonscape, just awful for the people living there.

5:30 p.m.

In the early 1930s, an experimental attempt to grow tobacco by people from Kentucky was extremely successful and they moved into this area with this crop. At the same time, the government of Ontario began experimenting with reforestation and established one of the earliest reforestation centres at St. Williams, right in the middle of this area. The whole concept was to grow the seedlings and to advise the farmers and assist them in the planting.

Is the member frowning at me and saying this is out of order?

Mr. McClellan: Absolutely not.

Hon. Mr. Nixon: As one drives down the concessions now, one sees the lines of mature trees which not only hold the soil and make the crop possible but make the whole thing one of the most attractive parts of the world. The small villages are like Brigadoon. People have never heard of them, but they are beautiful spots such as La Salette. That is the one I think of particularly because it always votes Liberal, but that is another matter.

I suggest the members go there. Just drive through and talk to the people, look at the crops and see what has been accomplished. When we talk about alternatives, there are none that come anywhere near the ball park in the financial returns these people have grown accustomed to over almost three generations. For us to tell them to stop growing tobacco and start growing tomatoes, wheat, corn, pigs, or whatever—

Mr. Brandt: Peanuts.

Hon. Mr. Nixon: Nuts is right. They cannot take that seriously, although they must, because the returns are somewhere in the region of one fifth to one tenth of what they are used to. That is part of the problem as well.

I am very glad the auctions are about to open. They have an agreement for this year and for next year as well. I expect the poundage that is approved may be somewhat reduced, but at least a semblance of stability has returned to what has been extremely chaotic.

I have been expecting over these last weeks when agreement had not been reached that it would become a real problem here, that there would be effigies of people we all know very well burned out in the front yard, but they went to Ottawa to do that. It may have been as a result of the initiative, such as it was, taken in the bill

before us which I earnestly hope and expect the House will support.

Section 2 agreed to.

Sections 3 to 9, inclusive, agreed to.

On section 10:

The Deputy Chairman: I believe the member for Dovercourt wanted to speak.

Mr. Lupusella: It carries because I made my comments under section 2.

Section 10 agreed to.

Bill ordered to be reported.

FUEL TAX AMENDMENT ACT

Consideration of Bill 50, An Act to amend the Fuel Tax Act.

The Deputy Chairman: The member for High Park-Swansea. Which section do you wish to speak on?

Mr. Shymko: I would like your permission to raise a few questions. I am ignorant of some of the side impacts. I am not an expert on energy. I am sure our critic is better versed, but I would like to ask some questions on some of the impacts this bill will have. I did not have the opportunity to do so earlier.

The Deputy Chairman: Will you be speaking on any sections?

Mr. Shymko: As in most cases, I would like to express my comments starting with the first section.

The Deputy Chairman: Is that fine with the Treasurer?

Hon. Mr. Nixon: If it is in order, I agree with it.

Mr. Shymko: Thank you very much.

The Deputy Chairman: Try to direct your questions to specific clauses.

On section 1:

Mr. Shymko: Specific clause 1(t) is related to the Fuel Tax Act, 1981, and is being repealed.

Mr. Andrewes: Mr. Chairman, on a point of order: I do not want to interrupt my colleague, but I want to remind him that we have an amendment to section 2. I am sorry; go ahead.

Mr. Shymko: I am sure there is discretion and flexibility in allowing me to speak on item 1.

We have heard objections from the Canadian Manufacturers' Association, the Ontario Trucking Association and others. I have a question with regard to the impact on transportation. In the annual report of the Ministry of Energy there is a beautiful picture of the minister; he looks serious, and has a mean look, a look of a deep

sense of responsibility. I will not read the minister's message.

On page 17, the ministry refers to a program now in existence to replace diesel fuel with propane. "OC Transpo expects fuel costs for buses to drop by about 20 per cent—or about \$4,500 per bus during an active service year...." I imagine this refers to municipal buses that currently operate on diesel fuel.

According to my calculations, the cost to operate a bus with diesel fuel is \$22,500 a year if one uses the figures from the report of the Ministry of Energy. An increase of 6.6 per cent, or six cents as the present bill suggests, means that if one uses 250,000 litres per year, there will be an increase of \$1,485 a year per bus. If there are 1,000 buses, which is approximately the number for Ontario, this means a \$1.5-million increase in the cost of public transportation by buses which are mainly operated by diesel fuel.

Has the Treasurer looked at the impact on municipal transportation costs if my calculation according to the figures used by the Minister of Energy is correct?

Hon. Mr. Nixon: The honourable member points out something that has been raised about other tax bills and is a matter of continuing concern. We apply sales tax to school desks, blackboards and such things. We tax the gasoline that goes into the trucks that sand the roads. In return we provide grants to schools and municipalities that in a sense make up for the tax taken. It is almost out of one pocket and into the other.

It may be that we ought to head for a more appropriate rationalization so that we can cut grants and not take the tax away from them in the first place, but we are building on a design that we inherited. I am not here to criticize it because it has been working reasonably well. It is true that when the Toronto Transit Commission buys diesel fuel for its buses it pays tax on it. We provide substantial grants, 75 per cent capital grants, to assist the TTC in doing what it wants to do. The thing tends to overlap and be blurred by this lack of distinction.

What the member has said is basically true. By increasing these taxes, we increase the costs of operating these services.

5:40 p.m.

Mr. Shymko: Referring to the answer from the Treasurer, I would like to read the impact it will have, as pointed out on June 2, 1981, by a very prominent member of the opposition. That \$1.5 million increase will no doubt be passed on to the passengers using the Toronto Transit Commission or public transportation and, in the

case of the trucking industry, to consumers. I want to highlight some of the statements made in 1981.

That member of the Legislature said at the time: "The ordinary consumer...is really going to be hit very hard by this consumption tax. The overwhelming sentiment is one of great moral outrage because of the deception," as he called it. "The less charitable people say: 'Let the taxpayers or the voters swing for it. Let them pay because they got what they deserved when they voted for this government.'" I refer to none other than the present Premier of Ontario (Mr. Peterson), who said specifically his concern was the impact on the little guy, the consumer.

The difference is that we froze the ad valorem tax for a year and a half at 9.3 cents. It is being increased to 9.9, a six percentage point increase. Such things as public transportation, particularly in an urban metropolis such as Metropolitan Toronto, are of great importance to me.

The present Premier said four years ago, "This new tax, this raid on the consumer, does nothing for oil or energy self-sufficiency. If the Treasurer had come to this House to put that money in a separate self-sufficiency fund for Ontario, putting it into renewables or conservation or methanol or hydrogen or something a little bit creative, he might have had an attentive ear from this side of the House. But the only thing he was creative at was stealing more money from the taxpayers' hides."

This was said by the present Premier, who was very concerned. I think we should remind him of his reference to the Treasurer of the day, because we certainly share those views today, being on this side of the House.

I think the Treasurer should read some of the comments made by his leader back on June 2, 1981. He referred to hydrogen. We know the funding the ministry had been providing for some of the alternative fuels has been cancelled. It is nonexistent as of the fall of 1985. We have eliminated that assistance. Am I correct in assuming the funding that was provided for such experimentations, research and development into hydrogen, has indeed been eliminated? Do we understand the excellent publication of the Ministry of Energy, again signed by the Minister of Energy (Mr. Kerrio), entitled Fuelling Ontario's Future, where he speaks of looking ahead 15 years to the year 2000 and says:

"Hydrogen production methods also provide examples of technologies that could be important in Ontario in the future...hydrogen fuel could be

produced in quantity and might find a substantial market in Ontario."

I refer to this tax, the approach, priorities and concerns expressed by the present Premier, the Leader of the Opposition a few years ago, who asked the then Treasurer to give consideration to these priorities. I certainly would like to know whether some retrogressive impact will be felt on some of the research and development for alternative fuels.

The last question and concern I have relates to some of the comments made by the members for northern Ontario, namely, that in the alternative uses of energy in Sudbury there was a project that coupled a 60-kilowatt wind turbine with a diesel generator as a fuel saver for remote sites. This was completed in 1982. I understand these wind turbines are used extensively, are increasing in remote areas of the province and are operated by diesel generators.

It is a concern I am sure the Treasurer has heard before. My question concerns the impact this might have on those particular sources of energy from these wind turbines.

Hon. Mr. Nixon: Did the member say wind turbines?

Mr. Shymko: Wind turbines.

Hon. Mr. Nixon: Wind turbines run by diesel?

Mr. Shymko: Right. We get energy from wind, and these turbines are coupled to a diesel generator which uses diesel fuel to operate. That is my understanding.

Hon. Mr. Nixon: The diesel generator runs the windmill and it spins?

Mr. Pope: No, no.

Mr. Shymko: I think some members from northern Ontario who may be more familiar with this could explain it to the Treasurer.

Hon. Mr. Nixon: Perhaps I could assist by telling the member that diesel fuel used for that purpose would be tax-free; that is, no tax. May I respond to the other points? No?

When my leader, the former Leader of the Opposition, made the speech in 1981 from which the member quoted, it was when the ad valorem tax was first imposed. My leader made those points because he was projecting and predicting exactly what did happen. Without ever coming to the Legislature again to be adjusted or reviewed in any way, the tax was automatically raised from what it was then, 19 cents a gallon, to about 37 cents a gallon, which is a 100 per cent increase—double. This was without it every coming back to the House.

My leader was entirely correct when he said this would have a particularly bad effect on the people who were driving in this city and elsewhere. I certainly do not apologize or in any way try to defend what he said because it was entirely correct. I think he would say exactly the same thing now. That is why we have made such a commitment to removing the ad valorem, even though it is not going to change the revenue. That is something else.

Mr. Pope: Do you mean you are against indexing?

Hon. Mr. Nixon: Yes, we are; no, we are not.

There was another point the member made on hydrogen. There was some thought a commitment should be made to hydrogen research. A little while ago, I made a point that when the members opposite were in government, they certainly could not be called pikers.

In the election of 1975, they made an additional six-month-only commitment of \$1.8 billion to enrich the payouts from the government. However, one could never say they lacked imagination either. At the same time, they undertook hydrogen research and they undertook the drilling of dry holes in the offshore Arctic. We have committed many millions of dollars to these holes in the ground.

An hon member: Where?

Hon. Mr. Nixon: I do not know where. The former government paid for them and now people want me to pay for more. I tell this House we have stopped paying for more, even though there is always somebody saying the next one is going to be a gusher. Does the member know that feeling? Maybe we should do one more and that will pay for the whole thing. We have stopped that.

It was this same commitment, this same attitude, this invigorating and refreshing leap into the dark that was characterized by the purchase of Suncor. It might have been great, but it was not great.

Unfortunately, so far the same must be said for hydrogen research. The thing that really put steam in that idea was a huge extra ability to produce electrical energy. The Premier of the day said: "We are going to electrify the trains running in all directions. We are going to make hydrogen from the electrolysis of water." If members remember grade 10 science, that would use a lot of electricity. I think he was going to put electricity in green garbage bags and ship it to Greenland at low cost or whatever he could do.

5:50 p.m.

If there was anything the former government could do to use electricity, he was in favour of it. We spent a lot of money on hydrogen research. As a type of scientist myself—an old scientist—it sounds good. We know what happened to the Hindenburg. Everybody says, "Oh, hydrogen, you have to watch that." However, in modern terms, hydrogen should be a very good fuel indeed for lots of things.

To answer the member's question, the research we funded has unfortunately not been what one would call spectacularly productive so far. It has been hit on the head.

Mr. Shymko: I understand from the comments of the Treasurer that he is against indexing. Is that my understanding? Is the Treasurer on the public record with the comments he just made, that on principle he is opposed to any form of indexing? That point should be well recorded by Hansard.

Mr. Chairman: Order. I do not see how that has anything to do with the change to replace the ad valorem tax.

Mr. Shymko: I will conclude by asking the Treasurer when will the wind turbines I referred to be exempted from the six per cent increase in diesel fuel? Will he not contemplate allowing buses that run on diesel fuel to be exempt from this bill in the same way diesel trains are? Will he not agree with the statement made on June 2, 1981, that his tax will dampen consumption, be inflationary, rob disposable income, help create a recession and definitely not do anything to stimulate consumption?

Does he agree, as has been said by the former Leader of the Opposition and the present Premier, that this is a cynical tax and that people feel deceived? They feel they have been virtually lied to. I use that word advisedly. They wake up in the shock of a budget and ask themselves, "How could we possibly have been taken in by those people?"

I want to know whether he agrees with the words of wisdom of the present Premier, his leader and the former Leader of the Opposition, on this same issue of fuel tax.

Hon. Mr. Nixon: I do.

Section 1 agreed to.

On section 2:

Mr. Chairman: Mr. Andrewes moves that subsection 4(1) of the act as set out in section 2 of the bill be struck out and the following substituted therefor:

"(1) Every collector, importer, registered consumer and purchaser shall pay to the Treasurer a tax at,

"(a) a rate that is the lesser of 9.03 cents per litre on each litre of clear fuel or 16.5 per cent of the average monthly retail price per litre of all clear fuel received or used by him or her in Ontario to generate power in a motor vehicle other than railway equipment operated on rails in connection with a public transportation system;

"(b) the rate of 3.1 cents per litre on each litre of clear fuel received or used by him or her in Ontario to propel railway equipment on rails where such equipment is operated in connection with and as part of the public transportation system.

Interjections.

Mr. Andrewes: Do not get too anxious. We are not finished yet.

The purpose of this amendment is to roll back the fuel tax to the rate that was in place before this budget and to implement a system by which, as fuel prices decline, the percentage of tax declines. It is a measure we feel bears a good deal of consideration. At some point later in the evening I would like to present some rather convincing arguments to the Treasurer and my colleagues that would invite their support for this amendment. Should I do it now?

Mr. Foulds: Do it now so we can consider it over the supper hour.

Hon. Mr. Nixon: Are you thinking of adjourning?

Mr. Chairman: Leaving the chair.

Hon. Mr. Nixon: I just want to point out to the honourable member, in the spirit of Christmas—

Mr. Hennessy: Ho, ho, ho.

Hon. Mr. Nixon: Ho, ho. If the work continues in this moderate and rational way with ample debate, however moving, it is possible that we might be able to get on to some other orders of business before the close of business at 10:15 p.m.

Following the revenue bills, after Bill 51, if we were to get that far, and whatever the members say is okay with me, interim supply will follow. That will only take a few seconds. That is to be followed by Bill 77, which is the bill having to do with triggering rent review at four per cent and capping the pass-through at five per cent, in case the members would like to proceed with that. We propose, members dispose, for the time being.

The House recessed at 6 p.m.

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Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, December 17, 1985

The House resumed at 8 p.m.

House in committee of the whole.

FUEL TAX AMENDMENT ACT (continued)

Resuming consideration of Bill 50, An Act to amend the Fuel Tax Act, 1981.

On section 2:

Mr. Chairman: We were considering the amendment to section 2 by the member for Lincoln when we left off at six o'clock.

Mr. Andrewes: Has the Minister of Revenue agreed to accept the amendment?

Hon. Mr. Nixon: The member was about to convince me.

Mr. Andrewes: Then I will have to try to convince him. I thought that over the sumptuous dining in the ministers' dining room he might have reconsidered the wisdom of this amendment.

Hon. Mr. Nixon: It is too lonely in there.

Mr. Andrewes: The Minister of Revenue has sought in this bill to do away with the ad valorem fuel tax and to put in its place one fee that applies to fuel used "to generate power in a motor vehicle other than railway equipment" and a second fee on "clear fuel received or used by him or her in Ontario to propel railway equipment on rails where such equipment is operated in connection with and as part of a public transportation system."

Our amendment speaks to our concern about the increase in tax; it rolls that increase back to 9.3 cents, which was its level before the introduction of this bill, the level it is at today.

I will make one or two remarks with respect to ad valorem, because it appears we have continuing contradiction on that whole subject. Ad valorem was designed to reflect increases and decreases in price and to apply the tax accordingly when those increases and decreases occurred. It was perhaps loosely described by some as a windfall to the government when prices rose and a windfall to consumers when prices fell.

I keep hearing the contradiction. For instance, we have a debate that may be before us by the end of the week on indexing pensions for injured workers, an indexation that would take place

automatically without being brought to the Legislature on an annual or semi-annual basis for debate. I will not argue with the merit of those increases; I argue only with the inconsistency of the principle put forward.

The government has expressed concern on many occasions about ad valorem taxes on fuel, taxes that rise and fall with the price of the product that is being taxed; yet at the same time it feels no concern about indexing pensions or other forms of payment by way of those kinds of programs and again moving away from the opportunity for the Legislature to participate in a debate on those changes.

The position we put forward with respect to this amendment was expressed by the Leader of the Opposition (Mr. Grossman) in question period some two weeks ago. He said we would be inviting all members of the opposition—we think they are the opposition; they are not the official opposition, but we still think they are in opposition sometimes—and members of the government to accept this amendment or else to vote against a proposal where taxes would fall. That invitation is still there; it is still on the record, and it is still part of the debate on this amendment.

At this stage I will not try to convince the Treasurer with respect to the world market situation on oil, which is the lifeblood of the fuel that is manufactured from it, the subject of this taxing policy. I will likely do that when we come to the gasoline tax debate, which is the next bill.

What I want to do is to draw the minister's attention to concerns from the Ontario Motor Coach Association, which has written to the Treasurer and to other members of the Legislature, including the Leader of the Opposition. Brian E. Crow, the president, says in his letter that he wrote to the Treasurer regarding his rollback of the proposed increase in gasoline tax and was very critical of his not rolling back on a similar basis the increase in diesel fuel.

Mr. Crow goes on to point out the travesty here as a result of this failure to acknowledge the problems of the Ontario Motor Coach Association, an association of motor coach operators who are in the tourism business. I draw those concerns to the minister's attention.

I also feel compelled to speak up on behalf of the other sectors of the transportation industry that are using fuel, such as the trucking industry. In the transportation of goods around this province, the trucking industry plays a very important role. An increase in fuel taxes represents an increased cost to consumers that must be passed on. At the same time, those consumers have to accept the burden of the \$750 million of extra taxation that the Treasurer has put in place.

Can I stop at that point and hear the comments of the Treasurer?

Hon. Mr. Nixon: My officials tell me the first approach to the amendment would reduce our revenues by at least \$15 million, which among other things means that it is in order. The reduction in revenue would be considerably more than that if the prices fell, as the member for Lincoln is—I would not say predicting but indicating as a possibility—

Mr. Andrewes: I will predict in the next bill.

8:10 p.m.

Hon. Mr. Nixon: Yes. We will discuss it more fully there.

I have to concern myself with a \$15-million loss. We are expecting to spend about \$1.6 billion on road construction and maintenance this year and on the provision of transit assistance. This is very close to the figure we intend to earn, if I may use that word, from the motor vehicle fuel tax, gasoline tax and licensing fees.

The two figures are not identical, and we do not expect them to be; however, the people who pay the tax use the roads, and there is some justification for that sort of user fee. I do not want to equate the two, but they are in the same ball park. Some years we get more revenue. In the past we have had more revenue than we have spent on roads, and I have a feeling that in the future we may spend more on roads than we will get in revenue. The member should be aware of that.

I should also point out that the tax put forward in this amendment at 9.9 cents a litre compares quite favourably with the tax in Quebec, which is 11.25 cents a litre; that in New Brunswick, which is 10.2 cents a litre; that in Prince Edward Island, which is 10.9 cents a litre; that in Newfoundland, which is 12.7 cents a litre; and so on. Therefore, even with this increase, which we consider to be fair and reasonable, we are still well down the list of taxing jurisdictions.

Mr. Guindon: They do not really sell any gas in those provinces.

Hon. Mr. Nixon: Maybe they do not. I always thought they did sell some gas in those provinces, but perhaps I am wrong.

The argument that the Ontario Motor Coach Association, the truckers and so on are hard hit by the tax is difficult for me to understand when obviously the full cost of the fuel, including the tax, is written off as a cost of doing business. I suppose in that case it is partly the government of Canada that pays the tax, which I guess simply means the money is circulating around among different sources.

However, if one runs a motor coach business and uses fuel, whatever the price, one deducts it as a cost of doing business. I am aware that with deregulation in the United States, a number of smaller motor coach companies now find it profitable to bring tours up to the Royal York Hotel in Toronto and to take them to the Legislative Building and other centres of interest and importance.

Perhaps because of their lack of information about regulations and laws, they do not recoup the tax because they have not had sufficient expenditure for that purpose. That is a little more complicated; perhaps we can do something to help them. However, essentially the best thing is to do is simply to inform them of our laws and of the laws that the states have regarding their own motor fuel taxes.

I want to make another point; it was not raised by this member, but previous speakers on this bill did raise it, perhaps in second reading. They spoke about farmers and many others who have to pay this tax. Of course, farmers do not pay the tax on anything they do on off-road vehicles. Once the farmer gets into his pickup truck if it is diesel-fuelled, or his diesel truck if he is trucking grain, he has to pay the tax, and those costs are deductible as a cost of doing business.

The people we are hurting directly are the friends of the member opposite who drive those great, big diesel-powered Mercedes. I do not know who else pays the tax without offsets. I do not want to be facetious, but I do want to point out that in most of the cases the member has pointed out as real hardships, I cannot see that there is a hardship compared with the other jurisdictions. It is not high compared with the out-of-pocket costs for businesses; it is all chargeable as a cost of doing business, and I just wanted to point that out.

The amendment is a very interesting one. It probably is an indication that it was worth while to provide additional monetary assistance for research for the opposition members, and the

members who have directed the research have done a good job on the amendment. It is quite an interesting one, but we cannot afford to accept it. We do not feel the level of tax we are putting forward is an unrealistic hardship compared with that in other jurisdictions, and although the money is not earmarked, it is roughly equal to the amount we are spending on transportation in this province.

For that reason I hope members, assessing on balance the fiscal responsibility that lies at the basis of these amendments, will be able to make a rational decision and support the government's initiative in this regard.

Mr. Andrewes: I appreciate those comments. There is one matter the minister touched on briefly that I want some clarification on.

I had a letter, as I am sure many other members did, from the Niagara Region Tourist Council, whose problem is that motor coach operators from US and other out-of-province jurisdictions apparently now have to pay up front the tax they normally would not pay, because they come from other jurisdictions. Can the minister clarify that issue?

Hon. Mr. Nixon: I cannot say too much more than I already have other than that the Niagara area in particular would be affected by coaches coming over from the United States. They have always had coaches coming over with tourists. We welcome them and want them to be here. We depend on them and the dollars they bring, but we feel they should pay the regular tax along with any other fuel user.

Mr. Andrewes: Did they not pay it in the past?

Hon. Mr. Nixon: I just got some additional information from my advisers on that. The big tour operators that have been customarily coming up into Ontario know about it and pay their tax. There is no significant problem. Once again, it is deductible as a cost of doing business, but they would like a rebate from the province in this regard. That is not payable.

The smaller ones, the upwardly mobile tour companies that are starting to come in because of deregulation in the US, have not been paying this. They have not been going through inspection points in the regular course of events as required by the regulations, which we think are appropriate but which were put in place by our predecessors and probably their predecessors. This sort of regulation and control is expected here and in other jurisdictions.

Perhaps we can do more to inform these people as to their responsibilities here and see that they

get the advantages of all the information services and assistance we can offer. However, if they drive here and use our fuel, they are going to pay our tax.

Mr. Andrewes: The minister suggested that this is one tax where there is the opportunity for offset and that it is the Department of National Revenue that bears the brunt of that offset. I have some difficulty with that argument, because it essentially means the profitability of the business is diminished by that much. Even though one can charge back so much, it is tantamount to the farmer who rushes out at the end of the year to buy some new equipment so he can get the depreciation.

The means may not justify the end, but I expect that is the argument the minister will use to answer my next question. If he is prepared to roll back the gas tax then why not the fuel tax?

Hon. Mr. Nixon: We do not feel the fuel tax is unnecessarily out of line with the gasoline tax, even at the rolled-back rate. There is also the position I have already put to the member, that those people in business write this off as a cost of doing business in their various taxes payable. The member is aware that we do not charge sales tax on trucking equipment. This is an additional subsidy or a tax cost to the business of something like \$32 million, which already goes to assist the trucking companies.

8:20 p.m.

I know their costs are high, and competition is high. On the other hand, the trucking business has enjoyed a relative boom since the very bad years of 1982 and 1983, and the purchases of equipment and the miles driven have increased tremendously.

In this connection, I should mention something that had slipped my mind until I was reminded by the officials at the desk. The motor coaches coming in from the United States, particularly those coming into Niagara, often do not buy any fuel at all, but they are required to pay a road-use tax associated with the fuel they burn while they are here, on the basis of their mileage.

I was aware of that, but this is an aspect they find troublesome because they are not used to it. They have not come across the border before into this jurisdiction and it is a practice we have. Many of the states have it as well when our trucks and buses go over there. It works out fairly well and they actually pay an amount for the use of the road, roughly equivalent to the tax paid for the fuel that is used in driving those kilometres.

Mr. Andrewes: That clearly was the issue.

I want to say a word or two about the effect of the diminishing price. The reason that is a part of this total amendment is to be consistent with our position on the gas tax which we will be arguing so eloquently at some later point.

Mr. Chairman: All those in favour of Mr. Andrewes's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

Sections 3 and 4 agreed to.

On section 5:

Mr. McCague: Would the Treasurer take a moment to explain section 5 to us? The theme runs through all the bills of putting everything under the Provincial Offences Act. I would like to know what it means.

Hon. Mr. Nixon: The powers of search and seizure have been used for quite a while in the process that this bill describes in the notes, although the authority was based on a different process. I am advised by my officials that they have had no questions about their procedures because they have been approaching it on the basis we are regularizing in this amendment.

The reason there has been no complaint was that the lawyers involved in defending cases had no complaint about the process of obtaining warrants for search and seizure. Just as in the previous act, where the section was introduced to regularize the process that has been used for a long time although there had been no complaint about it, we were advised by the Attorney General (Mr. Scott) and by the legal counsel of the Ministry of Revenue that this is an appropriate time to get legislative authority for a procedure that we think is correct. Our predecessors used it without legislative authority, although their use of it was, we are informed, correct.

Mr. McCague: I can see the Treasurer has a clear understanding of it.

Section 5 agreed to.

Sections 6 to 8, inclusive, agreed to.

GASOLINE TAX AMENDMENT ACT

Consideration of Bill 51, An Act to amend the Gasoline Tax Act.

Section 1 agreed to.

On section 2:

Mr. Chairman: Hon. Mr. Nixon moves that subsection 2(1) of the Gasoline Tax Act as set out in section 2 of the bill be amended by striking out

"8.8" in the second line and inserting "8.3" in lieu thereof.

Hon. Mr. Nixon: I have no comments other than to reiterate what I already said about grade 3 arithmetic.

Mr. Andrewes: It was grade 2.

Hon. Mr. Nixon: Grade 2 arithmetic.

Mr. Foulds: Grade 2 was over OISE, grade 3 was over the gas tax.

Hon. Mr. Nixon: No; the member is heading for bifocals. Everyone is aware of what is going on here, and I am delighted to move this amendment. Except for Alberta and Manitoba, it means our gasoline tax is the lowest in Canada.

Mr. Andrewes: We would like to move an amendment to the amended section.

Mr. Chairman: Mr. Andrewes moves that subsection 2(1) of the act as set out in section 2 of the bill be struck out and the following substituted therefore:

(1) Every purchaser of gasoline shall pay to the Treasurer a tax at a rate that is the lesser of 8.3 cents per litre on all gasoline, or 16.5 per cent of the average monthly retail price per litre of all grades of gasoline purchased by or delivered to the purchaser.

Hon. Mr. Nixon: On a point of order: I do not want to prolong this but, because I am interested in parliamentary procedure, I would like to bring to your attention the applicable words of section 15 of the standing orders as follows, "Any motion, the passage of which would impose a tax, shall be proposed only by a minister of the crown."

It is correct that the effect of the amendment before us deals with an amendment of a tax already proposed and so reduces that, but the wording of the amendment is, "Every purchaser of gasoline shall pay to the Treasurer a tax." As I see it, it is a departure. In essence it is a new approach to the imposition and collection of the tax; quite a novel, downward only, ratcheted sort of flat tax cum ad valorem.

8:30 p.m.

While we can discuss the merits of reducing the revenue of the province and what this will do to all sorts of things—and we can spend some time on that—I would ask if we can consider that the wording of the motion imposes a new tax concept. I would suggest that under our rules and accepted procedures of parliamentary practice, only a minister of the crown can propose a tax. Therefore, it is out of order, in my opinion.

Mr. Chairman: Thank you. I have considered this matter and I do not believe you are in order. Perhaps I should give you some reasons for that.

There is ample precedent for a private member moving amendments which lessen a tax. As I see it, this amendment in front of me states in the second line that it is a "lesser of." Therefore, there is a ceiling on this amendment. It cannot go higher than 8.3 cents, which is the level of the amended section which was just carried. Therefore, I find this in order on the basis of precedent.

Hon. Mr. Nixon: Did the member want to say something further about the amendment?

Mr. Andrewes: How did the Treasurer guess?

Once again, this is a tax on a fuel product that is primarily used in the area of transportation. I think there is one aspect of this tax, of this bill, that merits some praise. This is the fact that the Treasurer has now imposed one fee on all gasoline, regardless of its grade.

As members will recall, there were some concerns expressed, I think possibly in this House but certainly in the federal House, that many motorists were tending to use leaded gasoline in vehicles which were not equipped to use it because there was a price incentive.

That price incentive was somewhat aggravated because the provincial taxes collected on gasoline, not only in Ontario but also in other provinces, tend to differentiate between the various grades of regular, leaded, unleaded and super unleaded, or whatever it is called, depending on the company with which one is dealing.

This bill sets one fee, which I think addresses that concern very properly because it does not aggravate the incentive to use leaded fuel, which is lower in price, when unleaded is required, which carries with it all the various environmental concerns. I would speak favourably of that action in this legislation.

While we are talking about environmental issues and have the Minister of Energy (Mr. Bradley) present, today he announced a package of tighter controls on sulphur dioxide emissions. I have not had a chance to peruse that package in any great detail, but I draw to his attention that there is not a single mention of emissions from automobiles, which add considerably to the acid rain problems of the province.

Hon. Mr. Bradley: It is because that is a federal jurisdiction. It is up to the federal government to control emissions of sulphur dioxide.

Mr. Andrewes: Do not blame the federal government for everything.

Hon. Mr. Bradley: It has to produce the regulations that will eliminate that.

Mr. Andrewes: Earlier in the debate on the fuel tax, I mentioned our concerns about ad valorem and the fact that, in this amendment, we address the possibility of prices falling. As we peruse literature and study the stock market, I think there is ample evidence to verify that indeed gasoline prices over the next six months to a year could take a substantial decrease.

Gasoline prices around the world are derived from the price of crude oil. Crude oil prices have held at a fairly static level for two years now, but in the meantime the major suppliers of crude oil in the world—that group known as the Organization of Petroleum Exporting Countries—have been debating among themselves about the levels of their production and the prices they should be charging.

About a year ago, Canada moved to deregulate its oil prices, thereby letting them rise or fall with the level of the world market, so the impact of changes in world oil prices and of the debate and the actions of OPEC will bear very heavily on the price of fuel in Ontario.

I would draw the Treasurer's attention to a couple of recent events. These were beautifully recorded in the Toronto Sun of December 10, 1985, where the headline reads, "OPEC Risks Oil Price War." December 10 was just a week ago today. I believe the meetings of the oil exporting countries occurred over the weekend prior to the 10th. The cartel that tends to control world prices met and discussed its own problems and one of the conclusions arrived at was that, in a rather predatory world market price situation, it needed to endeavour to hold its market share.

I discussed at length on second reading of this bill the impact of oil prices on these countries and the fact they are cash starved in many cases. In most cases they depend very heavily on the export of oil to meet their financial commitments and therefore cannot afford to lose their market share. Otherwise, they find themselves in tremendous financial pain as a result of that situation.

This article in the Toronto Sun is datelined Geneva. I assume that is where the OPEC oil ministers met 10 days ago. It says: "OPEC oil ministers yesterday set the stage for a full-scale oil price war against outside producers by abandoning a four-year struggle to control prices through production restraints." In effect, it says they are now going to lift the restraints. They are going to produce at some greater capacity. The supply-demand situation on the world market

will start to prevail once again and, because the supply will likely outstrip the demand, prices will fall.

The article goes on to say, "The 13 OPEC ministers announced a major switch in policy with OPEC now determined to protect and expand its market share, even at the risk of igniting a price-cutting battle with independent producers. The announcement could mean cheaper prices at the pumps for Canadians but promises bad tidings for large, new energy projects."

When one is making projections about the future of energy prices in this country, "could" is always a much better word than "would." Even I have learned that.

8:40 p.m.

The article goes on to talk about the likelihood of oil prices reaching US\$20 a barrel. That is \$8 less than the current level of US\$28. It says, "Canadian (crude) oil prices will follow world oil prices step for step." He is a noted world expert whose name I have trouble pronouncing, so I will not give it to the House.

It refers to the spokesman for the Organization of Petroleum Exporting Countries. "Venezuelan oil minister Arturo Hernandez Grisanti told reporters OPEC would consider a 'fair share' of the market to lie between 16 and 18 million barrels a day." That is somewhat below the current output, but is very close to the mark.

John Spears of the Toronto Star had an article headed, "Oil Price May be Cut in Half, Analyst Says." It testifies to the same meeting of OPEC. "Analyst Rob Robinson of Loewen Ondaatje McCutcheon and Co. Ltd. said yesterday in an interview that if OPEC members decide to flood markets with oil to defend their market share, the price could plummet from the current base price of US\$28 for a barrel of crude oil.

"He stressed that he's not predicting \$10-a-barrel oil, but it might touch that level briefly in an all-out brawl for markets."

The same Geneva meeting was reported in the Toronto Star. It was basically the same type of report, but it draws in some further expertise.

Finally, the Toronto Star of December 7 has a report, "Oil Prices and Quotas Expected to Stay the Same, OPEC Indicates." It says: "The ministerial council's chairman, Saudi Arabian oil minister Ahmed Zaki Yamani, is expected to warn at today's conference that unless OPEC slashes its overall production, prices are bound to plunge, resulting in a free-for-all between members and a possible price war with non-OPEC producers.

"Several OPEC states, including Iraq, Qatar and the UAE, say they no longer feel bound by their agreed output quotas.

"But Yamani last month predicted a \$20-a-barrel price next summer."

This bodes well for motorists and people using gasoline in Ontario, which leads me back to my amendment, if I have strayed from it wee bit. What is obvious is that among the OPEC cartel, as I mentioned, there is a need for cash generation. There is a need for them to maintain their market share. It is a compelling argument for them to keep the oil flowing, because they need to keep the dollars flowing. This can be further aggravated by a fluctuation in US dollars, which means the value of that measure on the price of oil tends to fall. That makes the argument even more compelling.

The cartel is obviously weak. The members are fighting amongst themselves and in spite of the best efforts of Sheikh Yamani, the cartel appears to be coming apart. The only thing Sheikh Yamani can do to hold it together would be to allow some of those countries to produce more, thereby maintaining the market share and the dollar flow.

Mr. McClellan: So what?

Mr. Andrewes: Did the member say, "So what?"

Mr. McClellan: What are the oil companies going to do about the price of gas at the pump? Nothing.

Mr. Andrewes: That is not my jurisdiction. What I want to stress to my friends to the left is simply that they will now have an opportunity to vote in favour of taxes to consumers falling when those prices fall. If they choose not to vote in favour of our amendment, they will inflict for the next period of time—likely six to eight months or perhaps a year—a tax on consumers that is not representative of the real market situation.

I hope they clearly understand. I know the Minister of Transportation and Communications (Mr. Fulton) understands that here we have an opportunity to protect the motorists on the roads from the avaricious Treasurer, who wants to take from them more than his fair share of tax.

Hon. Mr. Nixon: When I had been elected here for two years, the price of gasoline per litre was 5.7 cents—imagine that—and the tax was 3.3 cents.

Mr. Andrewes: When was that?

Hon. Mr. Nixon: It was in 1964. The tax was 57.9 per cent of the base price. In 1974, going back to the time when Darcy was dumping \$1.8

billion into the expenditure side of the budget for a four-month period encompassing the election period—

Mr. Timbrell: In 1974?

Hon. Mr. Nixon: He did it for 1975. It was about that time—sorry about that. The tax at that point was 4.18 cents a litre, and it was 41.4 per cent of the base price. Those were the days when I would drive into Earl's Shell service, and if after the budget the gas tax went up one or two cents a gallon, there was all hell to pay.

It was delightful for me to go in, pay my bill and say, "Well, ain't it awful what those Tories are doing, jumping the tax?" In those days the tax was 41.4 per cent of the base price. Now, particularly at our level at this time, the tax is 20.4 per cent of the base price—not the price with the tax included—and we are freezing it at that level.

I have been interested in the arguments the member for Lincoln has made tonight and on second reading of the bill, projecting a decline in the price of petroleum. As a consumer, I really hope this will happen. Some of the people in Alberta hope the price will go up, because these low prices have meant that recovery from tar sands becomes uneconomic and there are all sorts of dislocations.

As a matter of fact, the economy has been very much subject to the vicissitudes of world petroleum prices. Since the federal Liberal government is no longer in office, there does not seem to be anybody up there who gives a darn about the consumer, and it is of continuing concern that many of these world-class projects have fallen on bad days indeed because of that fact.

I have been reading reports in the business pages about Imperial Oil Ltd. and even Petro-Canada taking steps to increase the price at the pumps substantially. My own experience is that regular unleaded is something like 52.4 cents, which is about as high as it has been, and I do not see anything particularly soft in the market. It seems the main suppliers have somehow got themselves organized—nothing illegal, I am sure—and we do not seem to have the benefit of those great gas wars we used to have from time to time.

Ms. Gigantes: The minister should look into it. It is his job.

Hon. Mr. Nixon: No.

Ms. Gigantes: Yes, it is.

Hon. Mr. Nixon: I have colleagues who are looking into it. It is a matter of some concern, although I have not bought many litres lately.

Ms. Gigantes: Let us encourage the minister to expand his horizons.

8:50 p.m.

Hon. Mr. Nixon: My point is that the price has been going up and the fluctuations and the dips in price because of gas wars unfortunately seem to have disappeared. I have seen reports, just as useful as those the member reads, that indicate these prices are high and going higher. I should not even make that argument, however, because by removing the ad valorem the responsibility for the tax is removed from arithmetic and put here in this House.

If the price were to plummet, I still suggest the percentage the Minister of Revenue gets is much lower than it was historically during many of the years when the Progressive Conservative Party had the responsibility for fixing these rates. I point out the imposition of the ad valorem at 20 per cent.

I said earlier, and it is the truth, that without any reference to this Legislature at all, the revenue from the tax and the actual tax payable per litre for any unit doubled. Per gallon it went from 19 cents to something like 37 cents or 38 cents in a very short time, without the members of this Legislature doing anything but complain about it on the opposition side and rub their hands in glee and avarice on the then government side.

We are taking a different approach, that the authority lies with the Legislature to establish the tax. Obviously, persisting with this tax, even when there is no revenue in it for me, is an indication of my commitment to the removal of the ad valorem. I believe that is healthy, proper and democratic. Even if the price were to go down by some amount, I still think the proportions would be far more beneficial to the gasoline consumer than the proportions imposed upon us in history—and not-too-distant history—by the previous government.

At 8.3 cents per litre we compare with Quebec at 12.9 cents—let us make it unleaded, which a lot of people use—13.35 cents a litre; New Brunswick, 10.1 cents a litre; Nova Scotia, 9.8 cents a litre; Prince Edward Island, 9.7 cents a litre; Newfoundland, 10.7 cents a litre; and BC, 8.4 cents a litre. We have a very low level of taxation compared to other jurisdictions and we do not think we require the downward only ratchet that the member is proposing as a substitute.

I am also interested in, and I want to take note of, the member's original comment—just as the Minister of the Environment returns to his telephone—about the effects of leaded gas on the environment. We certainly have to give consid-

eration to acceding to the recommendations of both opposition parties. It is possible in the coming budget we will consider raising the tax for leaded gas on the basis that there ought to be some tax consideration persuading people at least to reduce its use pending the imposition of the regulations from the federal government referred to by the Minister of the Environment.

A lot of my good friends are proud of the fact that the cars they have use leaded gas and they get good mileage at lower cost, but the effects on the environment are serious and must be considered. I will consult with the Minister of the Environment on this and I will listen to his advice. I do not usually follow it, but this might be a first.

Mr. Foulds: I would like to speak briefly on this clause. We have discussed this matter many times during the course of the debate of this bill and the budget. We will be supporting the Treasurer's amendment and we will not be supporting the Conservative amendment. If I may say so, the Conservative amendment on the gasoline tax today is a bit like its no-confidence motion yesterday. It is an act of hypocrisy, an act of posturing and an act of sanctimonious naiveté.

I do not want to be provocative. Far be it from me to be provocative, but if the previous speaker for the Conservative Party has faith in the OPEC cartel and the research done from a few newspaper clippings that he read into the record, I do not share it. If he believes the price of gasoline at the pump has anything to do with or has a direct connection with the so-called marketplace in the world, he must be either ill-informed or naive in the extreme.

He attempts to justify his amendment by indicating that the OPEC cartel is going to fall apart by quoting three articles, which he has quoted three times now in the Legislature, none of them written later than December 9.

Mr. Andrewes: December 9 was one week ago.

Mr. Foulds: A week is a long time in politics. He indicates that he thinks the world price of oil per barrel will go down.

Mr. Andrewes: I do not think so; the experts do.

Mr. Foulds: They say it might. The member for Lincoln quotes one expert three times and he quotes three experts once.

Mr. Andrewes: They are all different.

Mr. Foulds: They are all different.

Mr. Andrewes: I cannot pronounce all the names.

Mr. Foulds: The member cannot pronounce all the names. Can the member pronounce the figures?

These experts, who are quoted extensively in such well-respected financial journals as the Toronto Sun--

Mr. Andrewes: The Toronto Star and the Globe and Mail.

Mr. Foulds: --indicate that somehow the oil price per barrel is going to go down. He then takes a leap of faith the likes of which has not been justified in Ontario and Canada since the cartel got going in 1972.

Ms. Gigantes: And well before.

Mr. Foulds: My colleague says before.

There has been little relation between the price per barrel and the price we pay per litre for gasoline at the pumps. As the Treasurer pointed out, in Alberta, for example, where there is no tax, the price is almost the same as it is here in Ontario. As a federal government study released in 1980-81 pointed out, between 1973 and 1978 consumers in Canada were overcharged, not in terms of taxes, but of the price they paid for gasoline. There was a manipulation of the market that had little relation between the cost of production and the cost of acquisition.

The Conservative speaker also said the price will plummet. If the price does plummet, the consumer will benefit. The consumer will benefit because the price will plummet. The tax may be the same, but the price will plummet. I say in good faith to the member for Lincoln, when the price plummets, I expect it to mean a decrease of about one third of the base cost of gasoline; we will see unleaded gasoline selling across Ontario on a regular basis from north to south for about 38 cents a litre.

9 p.m.

When we see that happen in Ontario, I will apologize to the member for Lincoln. I will then say, "You were right and I was wrong." When that happens I will be glad to say I was wrong about the sources of the member for Lincoln, about his faith in the cartel and about his faith in the so-called market system of economics in the oil and gas distribution system in this great world of ours.

However, until that happens, I am from Missouri, which is almost as good as being from Thunder Bay. When one is from Thunder Bay, or from Missouri, one has a lot of scepticism about the oil cartel and about the market forces in gasoline price distribution. One also has a lot of

faith that there is one hell of a lot of manipulation that goes on.

As my colleague the member for Lake Nipigon (Mr. Pouliot) can speak so eloquently about, we get shafted when it comes to oil and gasoline prices. One only has to go 50 miles outside Thunder Bay to understand how much we suffer in 58 per cent of the land mass of this province.

The ad valorem tax instituted by the previous government did not help us. It was not introduced with any thought that there would be a decrease in price. In fact, it gave the previous government a vested interest in inflation and specifically in the inflation of gasoline and oil prices.

The previous government took absolutely no action to stabilize, lower or equalize gasoline and oil prices across this province. That is why I say the amendment put forward by that party is an act of hypocrisy, an act of posturing and an act of absolute, sanctimonious naiveté. That is the reason we will not support it.

Mr. Andrewes: The Treasurer retold some history and talked about the days when he first came to the Legislature when the tax was roughly 55 per cent of the base price and how that dropped subsequently to roughly 20 per cent, which is what it is now.

First of all, oil in those days was not the volatile commodity it is now. The oil cartel had not brought its influence to bear on the world as it did in the mid-1970s and the late 1970s, much to our despair and much to the economic concern of many nations, including Canada and the United States.

The Treasurer will find as well that the 55 per cent share in those days was probably representative of the proportion of the dollars spent on road construction and maintenance. Therefore, the current taxation level relates fairly consistently, I assume, throughout that period.

The Treasurer also compared the prices in neighbouring jurisdictions such as Quebec, New Brunswick, Nova Scotia and Prince Edward Island. However, down my way, in the Niagara Peninsula, people ask me, "When I go to Niagara Falls, Buffalo or Tonawanda, or some of those wonderful places across the river, why are prices so much lower?" The answer, of course, is the level of taxation.

Ms. Gigantes: Say, "It is because you never vote NDP." Try that one on them; that might persuade them.

Mr. Andrewes: They are much brighter than that.

The level of taxation is considerably less in those jurisdictions than it is here. When the

member for Kingston and the Islands (Mr. Keyes) goes across to wherever it is on the other side of that great bridge, the Ivy Lea Bridge, and the member for St. Catharines (Mr. Bradley), who has left now, goes to watch the Buffalo Sabres play hockey, they can fill up their tanks at a lower price and avoid the exorbitant taxes they pay in Ontario.

I think I mentioned in passing on second reading the whole east-west debate and that the gasoline tax becomes a red herring in that discussion on energy pricing; so I will not go into that in any detail again.

I want to refer to the criticism of my so-called experts by my friend the member for Port Arthur (Mr. Foulds). I do not pretend to be an expert; I am only quoting to him the opinion of so-called experts. I offered to make a small wager with him; I even offered to wager \$1. If he had gone to the stock market last Monday, he would have lost his shirt. That is the true indicator of the credibility of these experts. That market suffered as a result of that bit of news out of Geneva from OPEC. It is a far better judge than anybody in this chamber of where world oil prices are going.

I rest my case.

Mr. McCague: The remarks of the member for Port Arthur, although they do not deserve a reply, leave a couple of things to be said.

The Treasurer, in the Gasoline Tax Amendment Act he brought in, puts the tax on gasoline at the highest level it has ever been in this province: 8.8 cents.

Hon. Mr. Nixon: Every level is the highest it has ever been.

Mr. McCague: That may well be, but the hypocrisy is in the fact that the Treasurer objected to the ad valorem tax and always has. At least he was consistent in that. However, he wanted to do away with that tax and he wants to increase his. Then he says if the price goes down, he does not agree with the amendment of the member for Lincoln. That is where the hypocrisy is in this, and I want that noted.

Mr. Foulds: The Treasurer brought in a bill that first pegged the price at 8.8 cents per litre. If I may be immodest, it was because of the efforts of this party that he was persuaded to lower it to 8.3 cents per litre. Had it not been for this party's efforts, it would not be 8.8 cents per litre or it might be 8.8 cents, but the Treasurer would have withdrawn the bill, the tax would be ad valorem and the Conservatives would not achieve the effect they want, which is to lower the use of leaded gasoline.

What has happened with the pegging of the tax at 8.3 cents per litre, I admit, is that we have an increase of 0.3 cents in the taxation component of the price of leaded gasoline. However, in the unleaded category there has been a reduction of 0.1 cents per litre, and in the premium area there has been a reduction of 0.3 cents per litre.

I think the New Democratic Party has something to be proud of when it accomplishes a decrease in taxes for the taxpaying public of Ontario. Two out of three is not bad, and I have nothing for which to apologize.

9:10 p.m.

The Deputy Chairman: All those in favour of Mr. Andrewes's amendment to subsection 2(1) will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

The Deputy Chairman: Shall subsection 2(2) carry? Carried.

Sections 3 to 12, inclusive, agreed to.

On motion by Hon. Mr. Nixon, the committee of the whole House reported two bills without amendment and progress on three bills.

INTERIM SUPPLY

Hon. Mr. Nixon moved, seconded by Hon. Mr. Riddell, resolution 12:

That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing January 1, 1986, and ending March 31, 1986, such payments to be charged to the proper appropriation following the voting of supply.

Hon. Mr. Nixon: At one stage in the planning of this session there was some optimistic thought that we might get the supply bill passed about now before adjourning for Christmas. Unfortunately, that has not come about.

We have had a good order paper of bills to deal with. Some of them have taken a bit longer than was expected, although I cannot complain seriously since eventually some substantial progress was made. At least we are not listening to division bells, which sometimes happens in some jurisdictions at this time of year. That must be awfully hard on everyone concerned.

We had hoped that the supply bill would be carried by this time and that we would be able to end the session with the thought of coming back in the late winter with a new session. Our plans have changed somewhat. We have had some discussion, and acceding to the request of the

opposition parties, we are coming back on January 6 to continue our work. For this reason, to carry on the business of the province and pay our bills, it is going to be necessary to ask the House for interim supply until the end of the fiscal year.

I looked up the last time this occurred, and I should have it right before me with dates, but when the session went over the end of the calendar year, the government of the day, I believe on motion of the present Leader of the Opposition (Mr. Grossman), asked for interim supply for an additional month, since it was not definite when the House would return and the government of the day wanted the flexibility to come back when it thought it was appropriate. The House was able to concur in that with minimal debate, since nobody wants to see our pensioners unpaid or our civil servants unrewarded.

The motion is a standard one, and I ask the concurrence of the House in its approval.

Mr. Shymko: I wish to inform the government House leader that January 6 is Christmas Eve for those who celebrate Christmas according to the Julian calendar. I want him to be aware that a number of members of this Legislature will be celebrating Christmas then, as will many constituents of some of our members and citizens of this great province.

Mr. Dean: I want to make a couple of brief comments on this motion. I assure the Treasurer I have no intention of opposing interim supply, because I have just as much consideration as he does for those people whom he so feelingly described, and for some others whom he has not described, who depend on the regular appearance of a paycheque out of the public purse.

In the consideration of interim supply, however, I think it is suitable to draw the Treasurer's attention again to certain deficiencies we perceive in his budget as a whole, even though interim supply does not directly affect the budget, because this is given on blind faith that it will not be misused.

First, there was very little in the budget, and I have heard very little since then from any source on the government side, about the rationalization of care for the seniors in Ontario. This project is supposed to be proceeding in some fashion or other, but I do not see much allowance made for it in the budget.

I do not think anyone should deceive himself that there is going to be some cost associated with it. We hope that in the long run, provided the present government is able to do it as efficiently

as the previous government was planning to do it, some economies can be effected because of the lesser need to build more expensive institutional accommodations of one kind or another for seniors in the years to come.

In the short run, however, I am sure there will be added costs, because we cannot get rid of the institutionalization aspect. At the same time, we have to provide funds for the proper and better care of seniors in the community. I regret that there is no specific item in the budget, which I know we are not specifically debating now, pointing out the millions or tens of millions of dollars set aside for this very worthwhile project.

The second item I wish to remind the Treasurer about again when we are generously concurring in supply, as I think we are proposing to do, is that we are very disappointed—and here I might ask the Minister of Transportation and Communications (Mr. Fulton) to bend a little ear this way too—that there seems to have been no progress at all this year in the provision of added GO Transit service to the west end of the lakeshore route; that is, to Burlington and Hamilton. I also understand very little extra has been done in the east end, towards Oshawa. I do not want to be parochial, but I will leave it to those who are more directly connected with that to bring it to the attention of the Treasurer and the Minister of Transportation and Communications.

9:20 p.m.

I do want to point out how vital that extension is. Any of us who regularly drive the highways in that corridor can assure the minister and others that they are very busy, it is no fun to drive them and the volume of traffic is going nowhere but up as the years continue. Therefore, it is particularly important that the government proceed with some form of the plans that were being considered by our government when we were there to increase the service to the ends of the lines, and to make it more dependable in between times as well, so the travelling public, which could include any of us in this chamber who are in that corridor, will have the benefit of convenient, frequent service away from the highways.

Those who do not drive are not as concerned about that, but nevertheless, we ordinary citizens of Ontario do feel at times there is an added need for transit service in that corridor. I hope the Treasurer and the minister will make sure that is part of their ongoing budget when interim supply is no longer their concern.

I will leave it at that point.

Mr. Foulds: Unlike the previous speaker, who did not have enough time to debate the

budget and the budgetary bills over this past session, I feel impelled to go on at great length on this interim supply motion. We rarely get an opportunity to talk about financial, fiscal and economic matters in this House. Frankly, I am sick to death of those matters.

We will be supporting the motion because we, too, do not wish to see the civil servants, the pensioners or anybody else who gets a cheque in one way or another from the provincial government—not the least of which, my colleague the member for Bellwoods (Mr. McClellan) says, includes ourselves—have that threatened.

However, there are three or four things I wish to mention quickly. I congratulate the Minister of Community and Social Services (Mr. Sweeney) on one small step he took this past session that many people may not have heard about. The cheques mailed out by the provincial government to social assistance recipients in Thunder Bay have been late every winter, starting in the month of November. This year was no exception. When I notified the minister, he had officials in his ministry contact Canada Post and senior officials in Management Board immediately and I am sure they will be taking steps to ensure that does not happen again.

It is very important, when we have a province as diverse as Ontario and mail patterns that are not as direct and as quick as they should be, that those cheques get mailed out well in advance. When one is living on the kind of income that a single parent with two or three children is living on in Thunder Bay, below the poverty line, one can ill afford to have one's cheque arrive late at the end of November when one is hoping to have a dollar or two to buy a very modest present or two for each of one's children.

I congratulate the Minister of Community and Social Services on that initiative and I hope it is consistently in place for the next two or three months, for the period we are now voting interim supply.

I will also mention briefly three other points as a wrapup to the budgetary bills we have been debating. One is that the Treasurer does have to look seriously at genuine tax reform—not the few symbolic steps he took in his last budget—when he looks forward to his new budget in the spring of 1986.

Also, when the Treasurer is making other necessary payments—not just the salaries, but the other necessary payments of the Ontario government—he has to look seriously at genuine job creation programs and retraining programs for those people 25 years of age and over. The

government has taken no action or initiatives with regard to job creation for people in that category who find themselves out of work. That is the great remaining scandal of the economic situation in this province in our day and age.

Finally, I believe the Treasurer should look positively at what I call community works projects to try to have a direct effect on job creation at the local community level. What I mean is simply this: There are a number of projects in the nonprofit, social and municipal sectors that have had to be put on the shelf and postponed over the past five or six years by all communities because of the penny-pinching, reactionary cutbacks of the previous government.

I believe the present Treasurer, within a framework of fiscal responsibility, can stimulate some direct job creation, whether it is sewer and water projects in some communities or a new auditorium or new hospital in other communities.

One of the great needs in the coming 15 years is going to be adequate senior citizen housing and child care centres. We are going to have to start investing in that whole area now. Let us not be penny wise and pound foolish. Let us invest in the future of Ontario. Let us invest in those community projects so we have something to hand on, not only to our people of today but also to generations to come.

Mr. McCague: I want to have a few words with the Treasurer on his interim supply motion. Recalling a few times over the past years, I am sure the Treasurer will find we are much more co-operative than he or his allies were. We understand what season of the year it is and we want to be as kind to the Treasurer as possible.

I know the Treasurer will tell me why all this happened. Checking through the records, I find that the member for Brant-Oxford-Norfolk, now the Treasurer, got very exercised during one of these debates in 1981.

Miss Stephenson: Was it interim supply?

Mr. McCague: Yes; it was interim supply, that is true. In 1981, when the present Treasurer was asked to resume his seat, he refused. He was named by the Speaker and directed to withdraw from the service of the House. It says there was grave disorder arising. Pursuant to standing order 10, the Speaker adjourned the House for 10 minutes.

Hon. Mr. Nixon: Not me.

Mr. McCague: As I recall, that was the member for Brant-Oxford-Norfolk.

Mr. Foulds: I thought it was his colleague the former member for Rainy River.

Mr. McCague: We would have to have the record corrected; I presume not. When he left the House, he was not alone. As I recall from reading this, the member for London North (Mr. Van Horne) went a little earlier than he did; and he joined Mr. Cassidy who had left just before that.

Interjection.

Hon. Mr. Nixon: I think the House changed its mind and readmitted us with apologies.

9:30 p.m.

Mr. McCague: As I understand it, the member got his eviction notice and was evicted. We felt sorry for him, it being near Christmas, and we do again today.

We are going to support the Treasurer fairly soon on this motion. We applaud some of the moves the Treasurer has made, but he has a consistent theme running through the consideration of all the bills we have had in committee of the whole House. As the opposition, we tabulate these things the Treasurer and his leader, now the Premier (Mr. Peterson), promised during the election. We find that the budget and what has been done so far are quite deficient. The theme the Treasurer continues to use is, "I am sorry we cannot do this," or "I am sorry we cannot do that because it would cost us so much money."

I still have a suspicion the Treasurer has considerable money uncommitted within the funds he has asked for in his budget and no doubt is going to get. We have had great difficulty getting answers to certain questions. Where are the windfalls? As the member for Port Arthur (Mr. Foulds) says, he will apologize to the member for Lincoln (Mr. Andrewes) if he turns out to be wrong. I think we will have the opportunity, before we see the final tabulation of the Treasurer's books in July, to receive an apology from him. I will not say for misleading us, but for hiding a buck or two for some event he may plan to support in the earlier parts of 1986-early spring, as we keep hearing.

The term of this, until the end of the fiscal year, is a little longer than the opposition parties would have let the government get away with in some prior instances. The Treasurer says he had thought he would have proceeded further with this and that he could have concluded everything before Christmas. I think he knew full well this would never come to fruition, although it looked nice in the record and I do not blame him for putting it there.

Hon. Mr. Nixon: No; I really thought it was possible.

Mr. McCague: I am sure he did. There were an awful lot of rules he had to agree to change before it would happen.

Hon. Mr. Nixon: It is just that the member's present House leader's predecessor was much more lenient.

Mr. McCague: I do not think the House leaders we have had in this party in opposition were any different from the House leaders the Treasurer's party had. Probably on this side they are much more co-operative.

With those points I will, for my part, allow the Treasurer to proceed and to pay the salaries of the civil servants. I recall well when the Treasurer, and especially his—

Mr. Foulds: Do not point; it is rude.

Mr. McCague: Mr. Speaker, is pointing all right?

The Treasurer used the civil servants of this province, which is what this motion is all about, to make a point in years past. This party would never think of doing that, and in the interests of this festive season and his abundantly kind nature, with a little bit of stubbornness thrown in, we will be going along with him on this.

Hon. Mr. Nixon: If I may, I should have informed the House that the amount covered from January 1 to March 31 is expected to be \$7.3 billion.

Motion agreed to.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Fulton moved second reading of Bill 17, An Act to amend the Highway Traffic Act.

Hon. Mr. Fulton: This bill to amend the Highway Traffic Act was introduced in the House several months ago. The bill contains some important changes in the laws pertaining to drinking and driving that this government is eager to see passed at the earliest possible opportunity. However, we believe the bill in its original form did not go far enough in creating a deterrent against this type of socially unacceptable behaviour.

Impaired driving is a problem that is finally being recognized as one of the major social ills of our time, playing a role in more than half of all fatal traffic accidents in Ontario last year. We feel it is our duty to all responsible motorists to reduce their risk of becoming innocent victims. That is why I plan to introduce motions to substantially alter the drinking and driving

provisions of this bill when it reaches committee stage.

Members may recall the Attorney General (Mr. Scott) rose in this House last month to outline our commitment to an ongoing program to combat drinking and driving. Among the initiatives he described then were significant increases in the driver's licence suspension periods, raising them to one year for a first conviction and two years for a second conviction within five years.

At the same time, I announced a similar crackdown on anyone who continues to drive while under suspension for a Criminal Code of Canada offence, 95 per cent of which involve alcohol. I proposed the new Criminal Code charge of driving while suspended or prohibited, which was contained in the federal legislation enacted earlier this month, should carry an additional one-year suspension for a first conviction and two years for the second or subsequent conviction within the five-year period.

I am sure honourable members are aware of, and interested in, recent court decisions which would result in the reinstatement of suspended licences to certain persons convicted of third and subsequent drinking and driving offences. I intend to introduce measures in this bill to deal with this serious situation and will be providing a full explanation of this government's position on this issue when we move to the committee stage.

Drinking and driving is by far the most important issue addressed by this package of Highway Traffic Act amendments. The balance of the amendments deal essentially with house-keeping matters, such as ensuring that motorcycles are equipped with rear-view mirrors as all other motor vehicles are required to be.

In conclusion, the strong anti-drinking and driving measures contained in these amendments are indicative of this government's firm commitment to reducing the accident toll on Ontario's streets and highways. I look forward to the strong support of the House in the passage of this bill.

Mr. Gregory: Mr. Speaker, I would like to say a few words on this bill and to commend the minister on bringing it forward. Let me assure him at the outset that this party will be supporting this bill.

I would like to comment on a couple of things. We will not be unduly delaying the bill, at least I hope we will not, but I want to give proper credit to the member for Dufferin-Simcoe (Mr. McCague) who, as the Minister of Transportation and Communications, originally introduced this bill. Granted, there have been some amend-

ments, but I think the basic principle is as presented by the member for Dufferin-Simcoe.

I am supportive of this very progressive bill, in so far as the safety of the public is concerned. The minister is quite correct when he says drunken driving is the greatest cause of death in this province, and I think perhaps it outdoes disease of any kind. It is like giving people a lethal weapon and allowing them to go out and kill.

Anyone who has children is always in continuous fear of their being taken from him by a driver who has had too much to drink. I think everyone in this House would agree with that. Certainly, as a parent, I feel very strongly that way.

9:40 p.m.

There has been some progress in the reduction of deaths caused by drunken drivers, and I hope this bill will greatly decrease even that total from what it is at present. I believe and support the very stringent penalties the minister has put in the bill. I have no argument with them at all.

I feel a little more is required in the way of policing. The reduce impaired driving everywhere program has done a great deal in picking up suspended drivers, drivers who are driving without a licence and those who drive while drunk. Perhaps I should say "impaired", as "drunk" is probably the wrong word. I ask the member for Oshawa (Mr. Breaugh), is "impaired" the way we do it? With a proper social conscience, do we talk about "impaired"?

Mr. Breaugh: That pretty well covers it. Either way, we know what the member means.

Mr. Gregory: Conservatives are impaired; New Democrats are drunk. Is that fair enough?

Mr. Breaugh: The Conservatives have always been impaired for a variety of reasons.

Mr. Gregory: It is a very serious bill and the minister should be commended. I am delighted to see a clause that corrects or closes a loophole by which, in my opinion, a judge was able to put at risk the suspensions of a great number of drivers who had been suspended. The actions the minister is taking on this are commendable. I am sure my colleague the member for Burlington South (Mr. Jackson) will be commenting on the legalities of this in greater detail.

I understand alcohol still continues to be a factor in 50 per cent of all fatal accidents and in 30 per cent of those involving personal injuries. I do not think this is something we can ignore, and the minister has not ignored it. It is a recognition that is needed. I imagine there is great support for this bill from every police department in the

province. It would be difficult to find any way of not supporting it.

I hope this is not delayed. It is necessary that we have it in place during this festive season, when some people get more festive than others. I hope it is in place very quickly, not just with the idea of punishing—I know it is outdated to think of punishing and I sometimes think it is sad that we do not punish any more—but in the hope of encouraging people to use the common sense God gave them and not get behind the wheel. If they are helped and encouraged to do this by the thought they might lose their licences, it is the right way to go about it.

Many members from all parties on all sides of the House, including some community service people, have been very active in this. I hope my colleague the member for Mississauga South (Mrs. Marland) touches on this a little later because she has been actively involved in it.

I do not have much more to say about it. It is difficult to criticize a bill when one agrees with it almost totally. I commend the minister and assure him this party will support it.

Mr. Hayes: I want to compliment the minister and his staff on the hard work they have done in preparing Bill 17 and the amendments. We realize there is a serious problem on our streets and highways with dangerous driving, failure to stop at the scene of an accident, impaired driving and failure to comply with the demand for a breath test. I am sure most of us are aware of the studies that estimate alcohol plays a role in 50 per cent of driver fatalities in Canada and that last year alone alcohol was a factor in more than 40,000 accidents resulting in injuries.

I agree with the bill in principle and I am pleased to see the housekeeping changes dealing with delinquent parking fines and allowing motor vehicle licence-issuing offices to retain a portion of the fee for processing licence-related transactions. I am pleased to see the requirement that the police must have reason to believe vehicle brakes or braking systems are faulty to require a brake inspection.

I also agree that motorcycles should be equipped with one rear-view mirror. I am sure that would reduce motorcycle accidents. To what extent it would, I am not really sure; but I am sure that if the minister is serious about reducing motorcycle accidents, he would reconsider my request that his ministry set up a training program, finance it and make it compulsory for people to take before being issued a licence.

There are some sections of the act that need further clarification and/or interpretation. In

subsection 13(1), the word "charge" has been added to "care and control." I would like the minister to explain the reason for adding the word "charge" and what effect it has on Bill 17.

The other concern is subsection 27(1). There is some confusion in this part of the bill, which deals with the person who is operating a vehicle while being prohibited or disqualified. I would like the minister to clarify this section and tell us whether his intention is to make this legislation retroactive and increase the suspension period for offences or convictions. We need some further clarification on those issues.

I believe everyone here feels we must make our streets and highways safer by reducing the number of impaired drivers. I support the bill and I believe there will be fewer people drinking and driving because of Bill 17.

However, one might think the Liberal Party is grandstanding on this issue and taking the easy route rather than dealing with the problem of drinking itself. If the Liberal Party is serious about drinking and driving and cutting down on alcohol consumption, why does it want to put beer and wine in the corner stores? What it should be doing is setting up programs and facilities to help people with drinking problems.

In conclusion, we support the bill, but I have to point out again that it requires some cleaning up. I might add there are people out there who do not have the luxury of being chauffeured if they happen to lose their licences.

Mrs. Marland: I am very pleased to have the opportunity to say I support the intent of this bill, especially the section dealing with licence suspensions on conviction for certain offences falling under certain sections of the Criminal Code, wherein a suspension would be for a period of one year upon first conviction, for two years upon first subsequent conviction and for three years upon any additional subsequent conviction.

A tidal wave of public opinion has flooded our country within the past year, which is a very healthy situation. Existing legislation has been in effect to arrest, fine and imprison drinking drivers, but as we all know from the high incidence of second and third offenders, the penalty has not been sufficient enough to be an effective deterrent. Amendments to legislation, coupled with peer pressure, are required to ensure that this existing social problem is properly identified for what it is, namely, a serious criminal act.

9:50 p.m.

The history of the automobile is recorded only within the last 80 years, but during that time more people have been killed in traffic accidents on this continent than in all the wars combined. The only instrument as efficient as the automobile in mass murder is a nuclear bomb.

Some members may believe that "murder" is too strong a word to use when talking about a motor vehicle accident fatality, but some are actually vehicular homicides. The grieving relatives of someone killed by a driver who has spent hours drinking before driving a two-ton projectile capable of crushing or decapitating a human are as offended and as violated as are the relatives of a young girl who has been raped and murdered or those of a storekeeper shot and killed during a robbery.

Unfortunately, there is an abundance of misinformation about alcohol and its effects. Millions believe beer is not as dangerous as hard liquor. Further, many think they can take a cold shower or have a black coffee and sober up very quickly. All that really does, in my opinion, is create a period of nondrinking time and therefore result in a more wide-awake drunk.

Unfortunately, in Peel we have the second-highest record of arrests for impaired driving in this province. In 1983, some 15 per cent more arrests were made than in the year before. Either there is more alcohol consumption by the motoring public in this area or strategic police deployment and the increased use of our alcohol-level-evaluation roadside tester machines have proved effective. I believe the latter is the reason.

We still have a long way to go, however, according to the 1982 statistics supplied by the Ministry of Transportation and Communications. Brampton has the second-highest fatality rate in Ontario, notwithstanding a 43 per cent decrease since 1981, and the city of Mississauga has moved from sixth place to fourth place overall.

I do not enter the records of the municipalities I have the honour to represent in this House with any pride; I enter them with a great deal of concern. I would like for just a moment to tell members that my concern is shared to a great extent by the majority of the people in Mississauga South whom I have the privilege to represent.

This concern about drinking and driving and the associated problems was brought to my attention most graphically at a public forum I held recently on the subject of any proposed change in the distribution of beer and wine in this province. At that meeting, we were asked by a

number of people whether the legislation might be changed to act as a greater deterrent to the hazards and severe results of the impaired driver.

At that public forum, there was an outstanding concern, and demonstration in total numbers of eight people to one, opposed to the change in distribution of beer and wine in the province or to any proposed change because of their concern about the problem we are discussing tonight and the reason the minister is proposing the amendments to this bill, which I support.

There were about 167 people at that public forum, and we have received 179 documented telephone calls with names, addresses and phone numbers recorded, all of whom are running at a ratio of about eight to one opposed to any change because of the risk to human life and physical safety by impaired driving as a result of increased availability of beer and wine.

Mr. Speaker, I thank you for the opportunity to support the amendments and Bill 17 in the House this evening. With the timing of the presentation of the bill, as we are entering into the final few days before Christmas and the heavy partying time between Christmas and the new year, I look forward to the message getting out to the public to the point where we will be a society that does not have to oppose drinking.

It is not my personal intention, nor that of anyone who has approached me on the subject, to suggest that people should not drink. We simply plead that those people who do drink do not drive. We are grateful for the thousands of dollars the Progressive Conservative government has spent in the past to try to educate the public about the grave hazard of drinking and driving. We recognize that no amount of publicity on the problem seems to provide the needed solution. This legislation before us tonight may be the greatest deterrent. I hope it will be the greatest solution.

Mr. Breaugh: I want to support the principle of the legislation. The main one here is a pretty substantial alteration in the punishment for impaired driving. All of us are concerned about the problem and supportive of this kind of effort, which is punitive in nature but which does attempt to impress on the people of Ontario that we, the legislators, think this is a serious matter, a criminal matter that should not be taken lightly.

I want to put on the record a couple of concerns I have. I have listened to a great deal of piety around the matter. I am aware, as, tragically, many members are, of how sad it is, how terrible it is for someone to lose a family member in a traffic accident that involves alcohol. We know

that, but we should also know there is something a bit wrong in a society that decides it will stop this problem by punishing people.

I do not care how severe the penalty is, the drunk tonight—and there are thousands of them out there—who gets in his car to drive up the Don Valley Parkway—I hope not at the same time as I do—is not thinking at this moment about what the punishment for the crime will be. The truth is that the drunk who is entering his car in downtown Toronto right now is not thinking about anything.

He is totally unconcerned about punishment and fines, about whether he has a licence, whether he is doing the right thing, the wrong thing or whatever. That person is impaired and is now behind the wheel of an automobile. Nothing we say in the chamber tonight is going to change his mind. He is not listening to us.

Let me put another concern on the record. I went to the O'Keefe Centre recently and also read a very charming biography of Richard Harris, who had a drinking problem at one time. There were some charming lines in there saying he was before a court in Ireland and the judge ruled he could not drive anywhere in the civilized world. He knew what that meant and promptly went to Britain and drove his car into a double-decker bus and turned the bus over. The next line in the biography was, "This meant he was condemned to a life of a chauffeur-driven limousine."

It is true for some people there are alternatives. They do not have to drive. It is also true and a practical fact of life that in many parts of Ontario there are no alternatives. In northern Ontario, the people may be told they have to find another way to get home, but there is no Toronto Transit Commission. In many small rural communities, there is no taxi service either. This government and the previous government granted liquor licences to people who are a long way from a public transit system, and there is no option of taking a cab home for patrons.

I am pleased to see that many bars and restaurants in my area are using their old heads a little, buying small vans and offering to drive patrons home. That should be considered a good and positive thing to do. If one runs an establishment where alcoholic beverages are served, one has to provide a bit more in the way of service. The situation raises a lot of rather vexing legal problems about their liabilities as well.

10 p.m.

I would like to see governments at all levels stop being punitive about this matter. We support

this bill; we support this measure. I would say that this is about as far as we ought to go on the punitive side of things. It is now time for governments at all levels to become a little more positive about it.

When the government is thinking on the positive side, I would like to have better information about what it means when it says that 50 per cent of the accidents in Canada last year were alcohol-related. What does that mean? I happen to have worked on select committees here where we studied that, and what it means is that some police officer filling out a report thought some alcohol was consumed by someone in one of the vehicles and he noted that on a report. Frankly, I would like a better information source than that. In this day and age we can provide better information sources than that and we can study it in a more thorough way.

I would like to see more recognition—and I saw some just a week ago—that alcohol is a problem in a larger sense. It is not fair to condemn these people. In some of our plants we are now talking about substance abuse programs, but not all of our work places have them yet and this should also be encouraged.

Treatment centres have to be encouraged. People in my area who have an alcohol problem are now very often going to a private clinic in Buffalo, New York. I hope last week's announcement by the Minister of Health (Mr. Elston) will change that somewhat and we will begin to recognize it and treat it as a disease here in Ontario.

I want to conclude by saying that one of the little problems I have with this kind of legislation is that there is a multitude of little amendments to the act in here, not all of which are very clear, as is witnessed by the fact that the minister and his staff have been rewording the amendments regularly for the last week or so since we first saw the bill. Some of them make eminent good sense when one is drafting a bill and not a lot of sense when one is looking at the practical ramifications of it.

When they get the computers to work at the Ministry of Transportation and Communications, I will be much happier with the kind of amendment that is proposed here about the suspension of licences. There continues to be a major problem in that regard.

I would like to see at some point a more positive stance on the part of this government and the federal government around impaired driving. I believe from my casual observations as a member at dinners and dances that we have got it

to the state where people are thinking about drinking less alcohol at functions and then driving home. We have increased the awareness around that a bit. I think this type of activity in the legislative sense will convince more people we are looking at this as a serious problem with serious ramifications. I believe we are getting some of that message home.

I believe, though, that for the drunk who is getting in his car about the time we are wrapping up this message tonight, there probably are not many alternatives in many parts of Ontario, and I think there ought to be. The name of the game really should not be that people drink, drive and then get convicted; we do not want people drinking and driving, period.

It may be totally impractical to suggest that we stop this altogether. I do not think we will. I doubt very much that the 40,000 or 50,000 people who go to ball games at the new stadium and drink beer down there are all going to take the TTC home. That will not happen.

In many parts of Ontario, no matter what one did in the way of providing alternatives, they would still get in a pickup truck or a car and drive home. However, we have to get the message across that this is not acceptable in any sense of the word any more and that we deem it to be a criminal activity.

Having done that, the responsibility is then on us as legislators to provide some positive alternatives. We do not particularly want to suspend everybody's licence for a year; that will not do the family who is grieving any good. What will do some good is to provide the means whereby the guy does not get in the car drunk and does not drive. That would be a more positive step.

While this is of a punitive nature, which we do support, I want to sound the clarion call here that there is a need for people who serve alcoholic beverages to become a little more imaginative in providing services to people. We need to provide better forms of public transportation. Governments need to find ways to deal with this problem in a positive manner.

We support the bill because we think it sounds a call to people: "This is serious business, do not do this." It is supportable on that ground, if on no other. This bill, however, will not stop a drunk from driving or stop a tragedy from occurring. No bill of this nature will. Some other program that provides him with an alternative way of getting home or of not drinking as much may well do that.

The onus is on us, as legislators now, to find those positive alternatives; not only to provide things that punish people if they break the law—and that is what this bill does—but also to provide a solution to the problem. That is what this bill does not do.

Mr. O'Connor: I welcome the opportunity to say a few brief words in full support of this bill which was introduced by the Conservative government in June.

I support the bill in all its principles and with all the amendments that have been proposed, including those introduced latterly as a result of the Supreme Court of Canada decision of last week.

The bill increases the penalties for licence suspensions on a first impaired-driving conviction to 12 months and, in the case of a second conviction for impaired driving, to 24 months. It also increases the penalties for the offence of driving under suspension.

I take issue with the comments of the previous speaker, the member for Oshawa (Mr. Breaugh). He indicated that penalties in themselves are not the answer in that people are going to drink and drive, and that there are drivers on the road at this very moment who are not concerned with the increased penalties we are talking about within the parameters of this bill. He refers to dances, dinners and circumstances he has been in lately where people appear to have reduced their inclination to drink before they drive.

I suggest he is being contradictory there in that it is the threat of extended penalties, the longer licence suspensions and the possibility of jail terms that is deterring people from drinking before they get back into their automobile after a party, dinner or other social function.

Penalties of a severe nature, such as those introduced here tonight and those passed recently by the federal government, are a deterrent and are the prime reason the problem of impaired driving is finally being met. There is finally some success being shown in the fight against impaired driving. That is not to say, by any means, that we have won the battle; it is to say that some progress is beginning to be made.

As I indicated, the bill complements the recent federal government initiatives in this area. The bill's initiatives have increased substantially the monetary penalties for first offences and the suspensions for driving while impaired. It also complements the recent initiative of the Attorney General, whom I compliment, in directing his crown attorneys, when prosecuting these types of

offences, to seek jail terms in first-offence cases in greater numbers than they had in the past.

10:10 p.m.

We support his initiative for increased penalties in serious cases of impaired driving, whether or not an accident has occurred. He points out quite rightly that in some cases it is a matter of the luck of the draw. There may be a seriously impaired driver who, through blind and sheer luck, has not got himself into the oncoming lane of traffic or been involved in an accident to his own detriment or that of other drivers and pedestrians.

The crown attorneys should urge the courts to look at the degree of impairment, the level of alcohol in the blood and the physical tests that might be made by a police officer with respect to how well or otherwise the arrested person performed those tests, to take these conditions and circumstances into account when determining the penalty and, in the more severe cases, to seek a jail term from the court.

Already there are dividends being paid. There have been reports in the papers in the past few days of fines in the range of \$800 for a first offence, which I noticed in Ottawa, I think. Also, in the case of a few first offenders in the eastern part of the province, judges have imposed jail terms. I compliment the Attorney General and the judges for showing resolve in this respect.

As I said, the message is getting through. The reduce impaired driving everywhere program, of which we have heard so much, is working. In this regard, I compliment one of the Toronto newspapers, the Toronto Sun, which on a daily basis publishes a score-card indicating the number of vehicles that have been stopped under the RIDE program in Toronto, the number of impaired driving charges that have been laid, the number of charges of excess alcohol in the bloodstream—more than 80 milligrams—refusing the breath test and refusing the alcohol-level-evaluation roadside tester—all different charges under the Criminal Code of an alcohol-related nature.

The results are encouraging. They indicate that, although there are more drivers and cars being stopped this year than ever before, there are significantly fewer impaired and other alcohol-related charges being laid. They say the message is getting through. People are listening. People are not drinking and driving as much as in the past.

With regard to the RIDE program I have just mentioned, I reiterate my request in the House last Thursday to the Attorney General (Mr.

Scott), when I suggested in question period it might be a desirable thing for the province and his ministry to consider extending the RIDE program on a province-wide and year-round basis.

His answer to me on that occasion was that the cost of doing so and that the manpower involved would be excessive and prohibitive. I believe his exact words were, to quote from Hansard, "It is a very labour-intensive program, as the member knows, and if any other extension were to be contemplated, it would involve the expenditure of very large sums of taxpayers' money, which might not be warranted."

Surely when the question of saving lives is at stake—and the number of lives lost annually to impaired driving is staggering; in the neighbourhood of 600 a year in Ontario alone—the cost of a few dollars cannot and should not be considered.

I will make one more point, if I may, Mr. Speaker, and then I will move the adjournment of the debate.

I see the Attorney General has entered the House. I just want to make the point that the cost in human terms has to be less than the cost in dollar terms. The cost of rearranging the time of a few police officers to be involved in the RIDE program on a year-round basis rather than doing some other duties is surely small when one considers the number of lives that might be saved by its extension to a year-round basis.

On motion by Mr. O'Connor, the debate was adjourned.

House in committee of the whole.

Mr. Chairman: It was agreed unanimously that all divisions would be stacked until 10:15 p.m.

10:25 p.m.

RETAIL SALES TAX AMENDMENT ACT (continued)

The committee divided on whether subsection 3(3) should stand as part of the bill, which was agreed to on the following vote:

Ayes 67; nays 40.

Section 3 agreed to.

Bill ordered to be reported.

FUEL TAX AMENDMENT ACT (continued)

Mr. Chairman: Mr. Andrewes has moved that subsection 4(1) of the act as set out in section 2 of the bill be struck out and the following substituted therefor:

"(1) Every collector, importer, registered consumer and purchaser shall pay to the Treasurer a tax at,

"(a) a rate that is the lesser of 9.03 cents per litre on each litre of clear fuel or 16.5 per cent of the average monthly retail price per litre of all clear fuel received or used by him or her in Ontario to generate power in a motor vehicle other than railway equipment operated on rails in connection with a public transportation system;

"(b) the rate of 3.1 cents per litre on each litre of clear fuel received or used by him or her in Ontario to propel railway equipment on rails where such equipment is operated in connection with and as part of the public transportation system."

The committee divided on Mr. Andrewes's amendment, which was negative on the same vote reversed.

Section 2 agreed to.

The committee divided on whether Bill 50 should be reported without amendment, which was agreed to on the same vote.

GASOLINE TAX AMENDMENT ACT (continued)

The committee divided on Mr. Andrewes's amendment to subsection 2(2) of the bill, which was negative on the following vote:

Ayes 40; nays 67.

Section 2, as amended, agreed to.

Bill, as amended, ordered to be reported.

On motion by Hon. Mr. Nixon, the committee of the whole House reported two bills without amendment and one bill with a certain amendment.

The House adjourned at 10:31 p.m.

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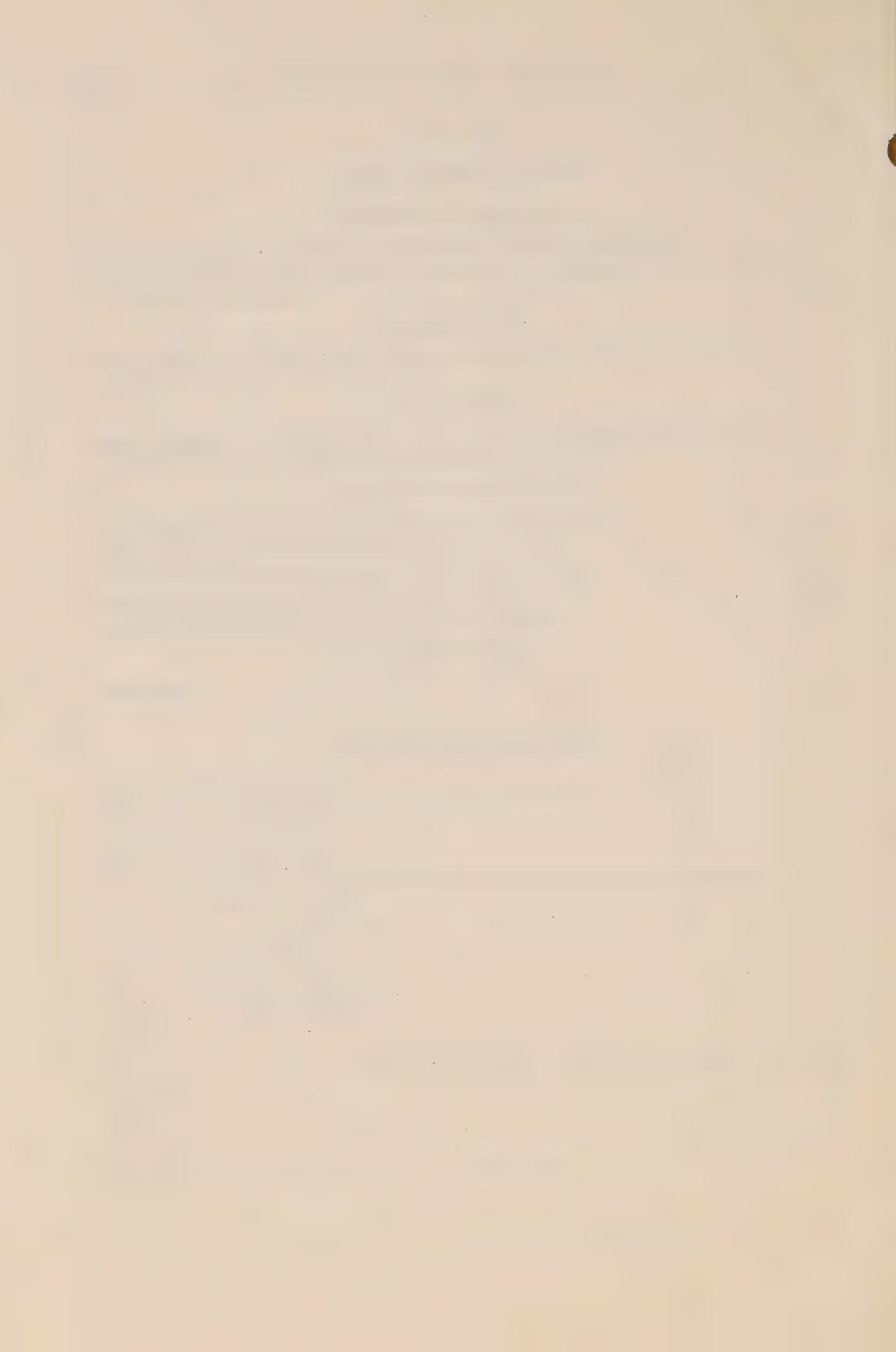
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No. 74

Hansard

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Wednesday, December 18, 1985

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday, December 18, 1985

The House met at 2 p.m.

Prayers.

CHRISTMAS CAROLLERS

Hon. Mr. Eakins: On a point of order, Mr. Speaker: A few weeks ago the Minister of Natural Resources (Mr. Kerrio) and I delivered a Christmas tree to the city of Buffalo on behalf of the citizens of Ontario as a way of saying "Seasons Greetings." Today, in exchange, a group of carollers are in your gallery who have been entertaining us with some very beautiful Christmas music. I ask the honourable members to greet our friends from Buffalo.

Mr. Rae: While wanting to join in that welcome, I would say that in selling our trees for a song, the Liberals are continuing the Tory policy of the last 42 years.

Mr. Reville: It might be of interest to the guests to note that I am wearing a buffalo tie today, and proudly.

STATEMENTS BY THE MINISTRY

LAYOFFS IN SUDBURY

Hon. Mr. Sorbara: Members are aware that the regional municipality of Sudbury is facing employment reductions by Inco and Falconbridge that will amount to substantial numbers of jobs being lost in the next year. Regrettably, this is part of a pattern of job attrition we have seen in Sudbury over the years as those companies take steps to remain competitive in an extremely tight world market.

My colleagues the Minister of Northern Development and Mines (Mr. Fontaine) and the Minister of Labour (Mr. Wrye) are in Sudbury today, along with the federal Minister of Employment and Immigration to announce a federal-provincial pilot project to assist the people of the regional municipality of Sudbury adjust to this situation.

Our announcement today is the product of discussions we have had over the past two months with Sudbury region officials, union representatives and the two companies. In reviewing the Sudbury situation, our aim was to develop a concerted adjustment program that both addressed Sudbury's problem and included

elements that are transferable to other resource development communities in northern Ontario that face similar situations.

We are announcing today a pilot project that addresses those two aims. Five million dollars will be invested in the project, with \$2 million from the province, \$2.5 million from the federal government and the balance from Inco and Falconbridge.

If there is one thing Sudbury does not need, it is another study. The situation in Sudbury demands action. The Sudbury pilot project will be administered through a local committee to be struck as soon as possible. That committee, which will be broadly representative of Sudbury's business, municipal and labour interests, will recommend projects to the federal and provincial governments. The committee will have a three-part strategy to guide it.

Its first aim will be the development of worker adjustment programs, especially for those older workers experiencing employment disruptions due to layoffs. These programs will include skills training and financial assistance for the unemployed and the underemployed.

The committee will also work with Inco and Falconbridge to find ways of achieving increased efficiency with minimum dislocations and layoffs. Topics for discussion will include work-sharing plans, extended-leave options and early retirement.

Its third task will be to work with the regional municipality of Sudbury to implement a long-term development strategy leading to the creation of permanent employment opportunities. This is a major component of the Sudbury pilot project. It will include incentives for such things as entrepreneurial development, including the provision of industrial space and venture capital for small businesses, marketing studies and strategies and other forms of assistance to start or expand small businesses in the area.

Comme je l'ai mentionné tout à l'heure, l'un des avantages les plus importants du projet-pilote de Sudbury réside dans le fait qu'il peut être appliqué ailleurs. De nouvelles idées seront lancées et nous aurons la possibilité de retenir les meilleures d'entre elles pour mettre au point des programmes qui répondront aux besoins d'autres

localités du Nord qui, tout comme Sudbury, sont aux prises avec les problèmes causés par l'effritement de leur économie.

If we are successful, our long-term goal of helping the north to build a stronger and more stable economy will have been realized.

HONDA PLANT

Hon. Mr. Peterson: I have the great pleasure this afternoon of bringing to the Legislature some important news concerning automotive investment in Ontario.

At 2 p.m. today, the Honda Motor Co. announced it will double its employment investment and production at its new Alliston, Ontario, automobile production facility.

As many members will recall, during June 1984, Honda Motor Co. announced it would build an automobile production facility in Alliston. The initial investment was set at \$100 million, with employment to be approximately 350 people and annual production targeted at 40,000 cars per year. With today's announcement, Honda has decided to increase its investment to \$200 million, to double its employment to 750 people and to raise the annual production capacity of this facility to 80,000 cars per year.

Honda, in character with the company's past accomplishments, was the first non-North American automobile manufacturing company to announce it would undertake to build an automobile manufacturing plant in Canada. Now, less than 18 months after this initial announcement in Ontario, the company has decided to double its production plans. This is a tremendous vote of confidence in Ontario and Ontario's people.

Production will begin at the facility during 1987 and will reach capacity by 1989. Canadian parts makers will be given every opportunity to bid on the parts that will be required by this facility.

This announcement represents a tremendous boost for the automotive industry in Ontario.

2:10 p.m.

[Later]

Mr. McCague: Mr. Speaker, on a point of privilege: It is a privilege to share with the Premier (Mr. Peterson) his great pleasure in the announcement he was able to make today on behalf of Honda Canada Inc. The people in Alliston and area, in Tecumseh township and within a radius of 25 to 30 miles from Alliston, are also very happy.

ROMAN CATHOLIC SECONDARY SCHOOLS

Hon. Mr. Scott: Members will recall that on November 18, 1985, Mr. Justice Potts of the Supreme Court of Ontario granted an interim interlocutory order prohibiting the government from providing full public funding on an interim basis to grades 9, 10 and 11 of the separate school system.

Today the Divisional Court, in a unanimous decision, has reversed the decision of Mr. Justice Potts. In reaching its conclusion, the Divisional Court stated:

"On the evidence before this court, as between the applicants—the Metropolitan Toronto School Board and Mr. Boone on the one hand and the Roman Catholic separate school boards, teachers, students and parents on the other—the balance of convenience overwhelmingly is in the latter's favour. The disruption of the educational system and its interim funding is, in the opinion of this court, a matter to be avoided at all costs."

I am sorry the Leader of the Opposition (Mr. Grossman) is not here to hear this statement.

"The applicants will not suffer irreparable harm if the interim prohibition order is set aside, and a continuance of the regulations for a short period of time will not substantially alter the applicants' position."

I also wish to advise the House that the Divisional Court accepted the government's position that the funding regulations must be accepted on an interim basis pending a determination of the full case. I again quote from the judgement:

"The regulations in question should be presumed to be valid until the court orders otherwise. This court, in the present case, is not dealing with the constitutional validity of Bill 30. That matter rests with the Court of Appeal. This court is, however, dealing with the validity of the regulations to which reference has previously been made."

I am glad, therefore, to announce that there is now no reason the government should not continue on an interim basis to fund the extended separate school program for the 1985-86 school year.

There is no reason not to proceed, and the Divisional Court has indicated there is every reason of convenience for interim funding to proceed. I am advised by my colleague the Minister of Education (Mr. Conway) that the funds intended to be delivered to the boards in question in December 1985 will be forwarded shortly.

COLLEGES OF APPLIED ARTS AND TECHNOLOGY

Hon. Mr. Sorbara: My friend the member for Sudbury East (Mr. Martel) enjoyed my last statement. I will try another one on him.

I am pleased to announce today the appointment of Walter Pitman to be my adviser in the evaluation of the appropriateness and effectiveness of the current structure and processes of governance of Ontario's community college system.

Following the publication of the report of the Instructional Assignment Review Committee—generally known as the Skolnik report—in the late summer of this year, I announced that I would be appointing an adviser to examine the system of governance in Ontario's colleges of applied arts and technology.

This evaluation is part of this government's program to update and rejuvenate Ontario's post-secondary educational system. We hope to identify both the strengths and the weaknesses in the current structure of college governance to allow us to build on those strengths and rectify those weaknesses.

In carrying out this task, Mr. Pitman will be speaking to college students, faculty, the Ontario Public Service Employees Union, college administrators, college governors, the Ontario Council of Regents and staff of the Ministry of Colleges and Universities.

In particular, Mr. Pitman will be examining the structure of college governance as established by legislation and will be reviewing and assessing the effectiveness of the current governance structure; he will be considering the communication requirements among the government, the Ontario Council of Regents and the college boards of governors, and he will be addressing the advisory/executive role of the Ontario Council of Regents.

It is anticipated that Mr. Pitman's task will be completed by May 31, 1986. I note for the record that the statement I distributed refers to March 31, but the appropriate date is May 31.

Mr. Pitman has long been associated with education in Ontario. In addition to his experience as a teacher in both the secondary school and university systems, he was Education critic for the New Democratic Party in the Ontario Legislature from 1968 to 1969. He was appointed president of Ryerson Polytechnical Institute in 1975. He became a life member of the Canadian Association for Adult Education in 1969 and was president of the association from 1978 to 1982.

Since 1980, he has been the executive director of the Ontario Arts Council.

I wish to acknowledge the assistance and co-operation of my colleague the Minister of Citizenship and Culture (Ms. Munro) and Mrs. Sonja Koerner, chairman of the Ontario Arts Council, for allowing Mr. Pitman to undertake this most important task at this time in addition to his current responsibilities.

I am sure the members will agree that Mr. Pitman's background and experience make him particularly qualified to carry out this task, and I am looking forward to working with him on this most important undertaking.

LOAN AND TRUST LEGISLATION

Hon. Mr. Kwinter: I am very pleased to announce that today I will be introducing for first reading the Loan and Trust Corporations Act, 1985.

The members will recall that a white paper concerning amendments to loan and trust corporations legislation was widely circulated in November 1983 and considered in detail by the standing committee on administration of justice. As well, there were numerous meetings at the ministerial level, at senior staff levels with provincial and federal governments, and with the industry and several professional bodies.

In June 1985, a consultation draft of the proposed legislation was released for public consideration. This draft had the benefit of detailed review by the Dupré Ontario Task Force on Financial Institutions. I am pleased to report that the response to the consultation draft has been generally positive. In its final report, the Dupré task force suggested further areas of revision, but at the same time indicated that this legislation is desirable and generally supported by the industry and the public.

This act has been in development for two years and has been needed for many more years. We believe existing economic conditions and outdated legislation require this new act as soon as possible.

The act I am introducing today is based on five general principles:

1. The maintenance of public confidence in the loan and trust corporations industry by the introduction of stronger provisions for depositor protection;

2. The equality of application of the provisions in the act to federal, Ontario and extraprovincial corporations. This is called the equals approach;

3. An emphasis on a strong board of directors and the importance of managerial responsibility;

4. The initiation of a general ban on self-dealing and strong rules regarding conflict of interest;
5. The introduction of proactive regulatory measures.

I note that, as directed by the standing committee on administration of justice, we are not adopting a 10 per cent limit on ownership.

This act is the result of considerable industry and intergovernmental consultation. I want to assure the House that consultation will not stop. My ministry will continue its work with federal and provincial governments to achieve the cooperative regulatory regimes that are so desirable in the regulation of financial institutions.

Following our second reading debate, I will be recommending that the Loan and Trust Corporations Act be referred to a standing committee of the Legislature for clause-by-clause review so that the members of this House will have a full opportunity to have input into the act.

2:20 p.m.

GOVERNMENT ADVERTISING

Hon. Ms. Caplan: I wish to inform the House that the Advertising Review Board has completed its open competition for the appointment of an agency of record. The AOR competition was widely publicized and totally accessible, in accordance with my announcement of the new government policy in September.

As a result, eight qualified advertising agencies and media buying services tendered bids to the Advertising Review Board, based on a bottom-line price for their services. The best five bidders, including Foster Advertising, were placed on a short list. Foster is the government's current agency of record, with a contract to December 29.

Competing with Foster were four other bidders: Harrison, Young, Pesonen and Newell Inc.; MacLaren Advertising Ltd.; McKim Advertising Ltd.; and Media Buying Services (MBS) Ltd.

I understand that it has been a long-established practice in the advertising industry for agencies of record to be paid a media commission of 2.25 per cent. For the past 11 years, for example, the Ontario government AOR worked on that basis, with Foster retaining 2.25 per cent for its services. I am pleased to report our new system has produced a better deal. We have succeeded in breaking through the 2.25 per cent floor price, and significantly so.

Two other capabilities were essential to winning the AOR account, besides the funda-

mental bottom-line consideration. They were and are (1) the availability of senior, experienced staff for a quick startup; and (2) an outstanding record of highest-quality service to its clients.

Taking into account the three major criteria, namely, the best price, the immediate availability of a senior startup team and a proven track record of good service, the board was unanimous in its recommendation.

I am pleased to announce that Management Board, and subsequently the cabinet, have acted on the ARB's unanimous recommendation and have approved the appointment of McKim Advertising Ltd. of Toronto to be this government's agency of record at a contract commission rate of 1.5 per cent. This means the new agreement will produce savings to the taxpayer for the first full year of operation of approximately \$471,000.

McKim has a large and experienced team in readiness to accomplish the AOR turnover from Foster as smoothly and as efficiently as possible. They will assume operating responsibility for the AOR effective January 1, 1986. A contract will be drawn up for 27 months, to run to March 31, 1988, with a standard 90 days' cancellation clause.

In all of this, I have satisfied myself that the policies I outlined at the time I made the announcement of the new system have been adhered to in total by the ARB. I am more than encouraged that the new process is working well. I wish to record my personal appreciation to the ARB for its conscientious efforts.

Hon. Mr. Eakins: I am pleased to announce the appointment of Vickers and Benson Advertising Ltd. as the new tourism advertising agency for the Ministry of Tourism and Recreation. Vickers and Benson was selected for my ministry's tourism account over three other finalists in an open competition supervised by the government's newly established independent Advertising Review Board.

Our previous agency, Camp Associates, competed for the account and reached the short list of four finalists. The other two competing agencies were MacLaren Advertising Ltd. and Cossette Communication-Marketing Inc.

The appointment of Vickers and Benson to a three-year contract was the outcome of a two-and-a-half-month agency search conducted by the Advertising Review Board, which was established by this government in September to run open, fair and accessible competitions for all government advertising contracts. I am pleased to inform this House that the Advertising Review

Board's recommendation of Vickers and Benson Advertising as our tourism agency was unanimous.

The unanimous recommendation of the Advertising Review Board went forward to Management Board of Cabinet yesterday morning and received approval there. At the full cabinet meeting this morning, it was again approved and the Advertising Review Board was complimented for its very open and proper procedures in arriving at its final decision.

On October 1, 1985, I sent a letter and a news release to some 250 advertising agencies across the province, advising them that the tourism account was being reviewed. A total of 54 agencies expressed interest and were asked to complete a qualifying questionnaire. Responses came in from 17 agencies and seven were placed on a short list after an extensive screening. Those seven agencies were thoroughly briefed and then made capability presentations to the Advertising Review Board in mid-November. Four finalists were selected.

G. Campbell McDonald is the chairman of the Advertising Review Board. The members of the Tourism Agency Review Board included Peter M. Sharpe, acting assistant deputy minister of the tourism division; Greg McKnight, director of the tourism marketing branch; Patricia Jacobsen, executive co-ordinator of the management policy division, Management Board of Cabinet secretariat; and R. T. Brown, retired president of Gulf Canada Products Co., who is the private sector representative.

Further details on the awarding of the new tourism advertising contract are contained in the news release from my ministry, which is now being distributed. Essentially, the Vickers and Benson contract is effective January 1, 1986, and will run for three years to December 31, 1988.

There is no question that this was an excellent competition, and I believe the open selection system represented by the Advertising Review Board has served both the government of Ontario and the tourism industry well.

ORAL QUESTIONS

HOUSING POLICY

Mr. Timbrell: I have a question for the Premier. The Premier will recall that the Minister of Housing (Mr. Curling) in his statement on Monday indicated that the government over the course of the next five years will be providing the financing for slightly in excess of 55,000 units, most of them rental but not all of them.

The Premier will also be aware from his discussions with the building industry that it indicates an annual requirement of 17,000 new rental units, or 85,000 over five years, just to maintain the terribly, disastrously low vacancy rate we have now, all of which suggest there will be a minimum of a 30,000-unit shortfall over the course of the next five years, further exacerbating the problems of the availability of rental housing.

Can the Premier tell us today how his government intends to see that the 30,000-unit shortfall is eliminated through additional construction? More than that, how does he intend to re-establish a competitive rental marketplace so that we do not have to live with this in perpetuity?

2:30 p.m.

Hon. Mr. Peterson: The honourable member identifies a very serious problem that we attempted to address in the policy review by my colleague this week. We view it as a balanced approach; obviously, we have a responsibility to protect tenants as well as to encourage building.

The member will be very familiar with the problems we inherited. As a former housing minister, he knows of the crisis that was allowed to develop over the past 10 years. We were presented with this. On one hand, we have our commitment to the tenants; on the other hand, we have a great responsibility to encourage building.

I have real difficulty understanding where the member comes from. He is against rent controls, but the party critic is in favour. I believe we have addressed that with sensitivity. We conversed with the developers and the builders, who told us that even though there is no question they would like to see rent controls disappear tomorrow—they are not going to—they can build within the context we presented to them.

There will be incentives in a variety of areas and there will be direct government help in some areas. There will also be private building. We are most optimistic that we have succeeded, in the first instance, in changing the mentality.

There is a tremendous amount of distrust, which goes back to things the developers told me. They told me, for example, they were brought in before the 1981 election and told by the then minister, "If you guys would just be quiet about rent controls, we will get rid of them as soon as the election is over and we have a majority." They felt abused. I do not want to be uncharitable, but they felt they had been lied to by other governments which were not setting forward clear parameters.

They now know with certainty where we stand and they have indicated positive responses. With their help and the help of the builders, mortgagees and others who must flow billions of dollars into this area, I am persuaded we will see a healthy building climate and we will be able to solve the problem.

Mr. Timbrell: I thank the Premier for that lengthy answer and for his references to the building industry. I refer him to a letter the industry sent him a week ago Monday, signed by four gentlemen, all of whom were involved in the discussions the Premier had with the building industry. They start off by being rather glowing in their commendations to the government. They then point out that he has changed his policy of 10 years with respect to building construction since 1976.

On page 3 of the letter, they say: "We are encouraged by the government's commitment to allow units that are currently chronically depressed to move up to market levels. Clearly, the industry understands that the incentive for building additional rental units in the future to address current needs and to increase vacancy rates is on the basis of a commitment from this government that everything built before 1976 would be brought up to what is euphemistically referred to as market rents, in other words that new construction will be based on higher rents for people in existing buildings."

Is that the Premier's understanding of the commitment he has given them? Is that the secret deal we were trying to get at yesterday?

Hon. Mr. Peterson: The member and his secret deals: is he now in favour of rent controls? He is a very curious fellow. On the one hand, he was arguing in the campaign that we had to get rid of them and now he is saying we should not. What did the minister announce the other day? The member should have read the policy we are addressing in a task force. A group is looking at the question of pre-1976 rents. The tenants understand that and they have been most thoughtful about this whole situation. They said they recognized the right of a landlord to make a fair profit.

We also want to avoid gouging over a period. We are building in a right of return for the builders on the money that comes into the marketplace. It is a very sensitive and open process. There is no hidden policy here. The members opposite are so used to a hidden agenda they assume other people have one. We do not. They are so used to making their own sneaky deals they assume we do. We have no secret

deals. It is all there to be seen. If they read the very thoughtful presentation by my colleague, it is all laid out clearly in the most comprehensive housing policy this province has ever seen.

Mr. McClellan: Could the Premier explain an aspect of the housing supply program announced on Monday that continues to mystify and baffle me? The minister announced that the government will spend \$75 million over three years under the Renterprise program to produce 5,000 units of affordable rental housing and during the same period will spend \$72 million in nonprofit and co-operative housing to produce 20,000 units, 15,000 of which will be affordable rental accommodation.

Can the Premier explain to me why it takes \$75 million in the private sector to produce 5,000 units and \$72 million in the nonprofit sector to produce 20,000 units? Why is he wasting money like this?

Hon. Mr. Peterson: We see that it is going to require a multiplicity of strategies. There is no one way to encourage the kind of building we have to do and the kind of renovation we have to do to meet the real demands pointed out by my colleague opposite. That is a problem.

We are trying to mobilize and not only improve existing housing stock but also bring variety and new types on to the market. We think our policy fits that mix and that balance. If it does not, we can look at better alternative ways of spending those funds. We are prepared to do that. On the basis of the evidence we have so far, and we have discussed this with the builders and with the people in the business, we think this is the quickest way to meet the demands that are there.

Mr. Timbrell: In answer to various questions this fall respecting housing supply, the Minister of Housing has always had the same answer. In September, he told the London Free Press that rent controls would be gone within a year. In October, he said in the House, "If the member will just wait a while, he will see a good policy coming about soon." On November 29, he used the word "soon" twice during his responses. On December 5, he said, "forthcoming shortly"; on December 9, "our policy will come soon;" and on December 12, "soon" was used four times.

In the minister's statement last Monday, he indicated the intention to finance 32,000 rent-gearied-to-income units over the next five years. The existing list of applicants today is 40,000 in Ontario, before adding any new applicants over the next five years. Is that to be the government's answer to applicants for subsidized housing, that they will get a unit soon, five years from now?

Hon. Mr. Peterson: I have real trouble with the member's questioning. He is a former minister and one who left us a big long list that we have been moving with dispatch to address. We have a faster policy. The member is the one who does not even believe in rent-gearied-to-income housing. He is the one who does not even believe in rent controls. Now he is telling us we should have more of this. I have real trouble with that.

The member is not credible on this question. If he has specific suggestions on how we can meet the need, I will be very happy to hear from him, but I can tell him we have dealt with a tough situation sensibly and it is going to work. Just watch.

Mr. Timbrell: Mr. Speaker, I have a point of privilege, before I proceed to my second question. I do not expect the Premier to do anything about it. He does not answer questions. He does not care about the privileges of the members of this House. In his nonanswer, the Premier said I do not believe in rent-gearied-to-income housing. That is not the case. If he has a quote from somewhere he would like to trot out to try to substantiate that statement, I would be happy to see it. The point is that it does not exist.

Mr. Speaker: That is not an appropriate point of privilege.

Mr. Timbrell: My second question is for the Minister of Consumer and Commercial Relations. We will see if we can get some answers from him.

REMOVAL OF WINES

Mr. Timbrell: Can the Minister of Consumer and Commercial Relations explain to this House why it is going to take six months to test all Liquor Control Board of Ontario products for ethyl carbamate?

Hon. Mr. Kwinter: The LCBO has 3,000 products on its shelves at present. The standards that have been set by the federal government are so small and precise that it has asked that all samples we do should be confirmed by the federal government. We are going to take all the products that are highly suspect, do those as soon as the federal government tells us the methodology, then send the results to Ottawa for confirmation.

By dint of numbers, it is going to take up to six months. We do not know the exact number, but I can assure the honourable member that under the old system of identifying products that exceeded 500 parts per billion, in the past four weeks we have been testing continuously and we have not found one product that exceeds the limits.

2:40 p.m.

Mr. Timbrell: On checking with the LCBO this morning, we were told by an official of the board that they will probably start testing next week.

My question is very simply, how can he test 1,000 products, one third of the inventory, in a month, but now he is saying it is going to take a further six months to test the balance of the inventory or to redo the first ones? How can they do 1,000 in one month but they cannot do 3,000 in a much shorter period than six months?

Hon. Mr. Kwinter: I should tell the member we are talking about two different processes. For the first 1,000 products we were using the existing criterion at the LCBO, and that was 500 parts per billion or more. That was relatively easy to do.

The federal government has come up with a standard that is as low as 30 parts per billion; not only that, but it has said: "Once you identify a product that falls below that level, we want you to send the product to us for confirmation. We will let you know that is the limit and we will then remove the product."

Mr. Swart: Would the minister not agree that even with the present equipment they can find products that have a very high content, whether it is 200 or 300 parts per billion? Why can they not test those quickly and then get them off the shelves?

Hon. Mr. Kwinter: We are testing the balance of the 2,000 to see whether they exceed the limit of 500 parts per billion on an ongoing basis. The problem is that the federal government sets not only the standards but also the methodology. Until it confirms the methodology to us, we are literally in its hands.

Mr. Timbrell: The same official of the LCBO informed us that the minister and his staff have access to additional machines at the LCBO. What is more, we have learned of companies in the private sector that are available, whether at the Ontario Research Foundation or in other places, to do these tests.

Why will the minister not avail himself of the extra machinery and staff available within his own ministry or within the private sector—or within the universities, for that matter—in order that the concerns of consumers as well as those of producers, who are seeing a 30 to 40 per cent drop in wine sales in this province at this time, can be alleviated as quickly as possible?

Hon. Mr. Kwinter: The basic problem we have is waiting for approved methodology. We

are expecting it from the federal government. When that happens, the highly suspect products can be tested very quickly, in a matter of days. There is minimal risk because, as I have said, for four weeks we have been testing products and have not found one that exceeds the limit of 500 parts per billion. We can continue to do that. It does not make any sense to send those out on a rush basis, because we have not found anything in four weeks at that level.

The problem is the suspect areas we know of; we know where they are and we can test them very quickly. Therefore, the six months is not for every product. The products that present the most risk will be tested immediately. To go through all 3,000 products, with which we believe there is very little risk because of our past experience, is going to take up to that time. I do not know exactly how long it will take. We will do it as quickly as we can.

HOMEMAKER PROGRAM

Mr. Rae: I have a question to the Minister of Community and Social Services. There are many thousands of cases, but I want to raise one with the minister; it involves a woman whose name is Irene Farthing and who has Alzheimer's disease. She lives with her daughter and son-in-law in my constituency. Her daughter has given up her job to care for her mother. Her son-in-law is a trucker who makes \$8.50 an hour; he does extra work delivering the Toronto Star and makes an additional \$100 a week.

Can the minister explain why this family is not eligible for the home care program and has been cut off that program? Why has this family been continually and consistently denied services through the Ministry of Community and Social Services, and why has it been told by his ministry that it will furnish care only if the family takes the first available nursing home, which is entirely unacceptable to the family since they want to keep Mrs. Farthing at home for as long as they can?

Can the minister explain why this is happening? In 1981, Frank Drea said there was going to be a program for the frail elderly. In 1982, the member for St. Andrew-St. Patrick (Mr. Grossman) said there was going to be such a program. It was repeated in 1983, endorsed by the Liberal Party in 1984 and specifically mentioned by the Premier (Mr. Peterson) in his speech in this House on July 2, 1985.

Can the minister explain why we still do not have a decent program for older people who want to stay in their own homes and who need some

help from the Ministry of Community and Social Services?

Hon. Mr. Sweeney: The home care program is a medical program that comes under the jurisdiction of the Ministry of Health and not under my ministry. We do have a home maintenance program and a home support program. I am not certain from the honourable member's question whether the lady would qualify for either of those. If she does, I will be delighted to look into it and to assist him with a specific situation.

With respect to the planning, the Ministry of Health and my ministry are working jointly on an integrated homemaker program that I expect will be in place by January or February, in which case families such as the one that has been described can come to one centre to have their needs assessed to determine whether they need medical care, home maintenance care or home support care. Whatever their need is, it will be assessed and delivered through one agency rather than two as at present.

[Applause]

Mr. Rae: I do not know how anybody can applaud that statement. That is the same gobbledegook and bureaucratic crap we had from the Tories for the past five years on that issue. It is exactly the same. There is no difference, not an iota of difference. Nothing has changed. A minister is appointed who is responsible for introducing a program and the program is completely sandbagged in cabinet, where it has been for the past two months.

The problem is that Mrs. Farthing does not qualify for the home care program under the Ministry of Health, and she has been denied services by the Ministry of Community and Social Services precisely because there is no such program in place. The minister goes around saying he is going to assess people for a nonexistent program. It is a bloody disgrace and he knows it.

When is the minister going to introduce a program that will finally deal with the problems of Mrs. Farthing and thousands of other seniors like her who have been getting nothing from the government but vague promises?

Hon. Mr. Sweeney: I attempted to indicate before that there are two different programs available at present. The first one, the home care program under the Ministry of Health, requires a medical authority and a medical need to have the service delivered. The second program, under my ministry, is a needs-tested program. It is evident that in the past people have fallen

between the cracks of those two programs. That is why the two ministries have gotten together to set up an integrated homemaker program, which will be in effect in January or February and which will amalgamate both medical and social needs. I suspect that is the response the member is asking for.

Mr. Cousens: The minister is talking about the cracks and the people who are falling through the cracks. The question was asked about a specific woman with regard to Alzheimer's disease. It is these specific individuals who are suffering because of the lack of integrated services right now.

The minister is talking about working out a program with the Ministry of Health. What can he do now about this particular person, who is typical of hundreds of people who have no home care, who do want to go into centres but want care within their own homes? Can the minister do anything for her today?

Hon. Mr. Sweeney: I cannot do anything for her today, because she does not qualify for either of the two programs that are currently available. That is why the new, integrated program will combine the qualifications of both and people simply will not be falling through the cracks. That program is in the organizational stages right now and has been for a couple of months. I have already indicated in answer to the two previous questions that we expect it to be in place in January or February.

2:50 p.m.

Mr. Rae: This has to be the only ministry that has two deputy ministers, one of whom is sitting in this House. It is exactly the same nonsense.

Is the Minister of Community and Social Services aware of what has been the fate of the reports coming from his colleague the member for London North (Mr. Van Horne), the Minister without Portfolio? Can he tell us what is the fate of that report with respect to the relationship between the Ministry of Community and Social Services and the Ministry of Health?

How can the minister justify the delay in bringing in a program that was promised in 1981? On June 21, 1984, his colleague the member for Brant-Oxford-Norfolk (Mr. Nixon), who is sitting in front of him now, together with Sheila Copps, raised the question of privilege in this House, complaining about the delay in the implementation of the program. That is a year and a half ago.

Where is the minister's sense of time here? Where is his sense of people who are out there waiting for a program and of others who are

locked in, caring for their loved ones, who cannot even get out to a movie once in every three or four weeks because they have to stay at home all the time with their loved ones? Where is his sense of urgency about a problem in this province that affects people where it hurts?

Hon. Mr. Sweeney: I understand that the report my colleague the Minister without Portfolio has been preparing for cabinet is complete and has been delivered to the cabinet office.

The second question deals with the fact that my colleague the Treasurer (Mr. Nixon) built into his recently announced budget an amount of \$11 million for expanded home support programs. That is going to be allocated precisely to the program I have already described.

ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

Mr. Rae: I have a question for the Treasurer about the Ontario Institute for Studies in Education. I hope to continue the enlightening exchange we had yesterday and perhaps get some indication as to where the government is coming from on this issue.

Hon. Mr. Nixon: The honourable member will agree he was misquoting the resolution.

Mr. Rae: As Christmas comes even closer, I know the Treasurer's mood will take on the degree of benign recognition that all of us are human and make mistakes from time to time. I am reminded of mine every day, and I know the Treasurer is as well.

The Treasurer said he was under the impression that the negotiations between OISE and the University of Toronto were to continue for the next four months. Does he not realize that as a result of a board meeting last week, on December 10, there are no direct negotiations between OISE and the University of Toronto; that the director has been requested not to participate and that, in a memorandum he sent around to his faculty on Monday, he indicated he was fully in agreement with that decision and request of the board and fully in support of the board's position?

Is the Treasurer aware of those facts? What does he intend to do to resolve what has now become a complete impasse with respect to the future of OISE?

Hon. Mr. Nixon: I am also under the impression that the leader of the New Democratic Party is spending quite a bit of time assisting the board of OISE in this difficult matter. Evidently he has become its major spokesman in this House, because I had not been made aware of

that matter. However, I had seen a list of the resolutions to which the member has referred in which the director had been requested by the board not to continue negotiations. The director did not take an actual part in the discussions other than as an observer in the discussions with the chairman of the board, Dr. Jones.

I have a very high regard for the chairman of the board, whom I have known for a good long time. I do not share his view of the inadequacies of the education faculty at the University of Toronto. However, I got the distinct impression from my discussion with him in the presence of the Minister of Education (Mr. Conway) and the Minister of Colleges and Universities (Mr. Sorbara), who took part in the discussions, that the chairman was prepared to go forward with discussions, if not negotiations, with the University of Toronto with an eye to meeting a deadline, if I might use that word, at the beginning of the fiscal year. At that time, the financing of OISE would take place through the University of Toronto.

The chairman has not informed me of any change. If they see fit not to follow the budgetary direction of the province, then we will have to examine our alternatives. I will be glad to be further informed by the member in this regard.

Mr. Rae: I will be more than delighted to do that. As I am sure a number of other members have been, I have been meeting not only with the OISE board but also with the faculty association. Also, I have received dozens of letters, not only from Ontario but also from all around the world, with respect to the work OISE has done. The feeling in the educational community is very widespread that what the Treasurer proposed by fiat is completely inappropriate, unfair to OISE and does not reflect the current reality in 1985-86 with respect to that institution.

The Treasurer has indicated that he is aware of the decision of the board and the resolutions that have been passed by it. I am sure he is aware those decisions have been endorsed by the director, by the faculty association and by a number of constituent groups.

Does the Treasurer not realize the effect of his unilateral announcement has been quite the opposite of what was taking place between OISE and the University of Toronto, which was a discussion about affiliation and some kind of integration with respect to the faculty of education? The effect of his announcement has been to scuttle that and to put a major divide in any discussions; it is encouraging OISE to look elsewhere and at other solutions that are quite

different from the ones I am sure the Treasurer initially had in mind.

Hon. Mr. Nixon: I regret it if the two organizations can no longer discuss their relationship as a result of my announcement. I know discussions were going forward to maintain the status quo, which seems to appeal to the leader of the New Democratic Party. The University of Toronto is responsible for the degrees that are granted by OISE, and it would be unfortunate if the University of Toronto found itself not in a position to grant those degrees to the students at OISE.

The leader of the NDP and all the other members know the University of Toronto is a world-class, independent educational institution, and it seems rather strange to an objective observer, let alone the member and myself, that an organization such as OISE, which itself has an excellent reputation, would object so strenuously to being associated with the university except on conditions that it promulgates itself.

It is not as if OISE were being consigned to some sort of administrative process that is unacceptable. I think it should be very acceptable. No one, and certainly not the Treasurer, has suggested that the financing of educational research should be reduced in any way or, as I said yesterday, that the work of OISE should not proceed in an effective way.

Mr. McFadden: The basis on which the Treasurer announced the transfer of OISE to the U of T was to eliminate duplication. Obviously, as far as the board is concerned, there is a difference of opinion on the advisability, for education purposes, that this be done. Perhaps the Treasurer will share with the House exactly what duplication he intends to eliminate by this transfer and what dollar amounts are attached to it.

Hon. Mr. Nixon: To begin with, we obviously would not need two boards if it were administered by the university.

Mr. Rae: That is pathetic. If that is the basis of the decision, the Treasurer knows how pathetic that is.

Hon. Mr. Nixon: Get aggressive.

Mr. Jackson: Which finger was that? Interjections.

Mr. Rae: Is he worried about his camera angle? Is he not getting enough ink? What is the Treasurer's problem?

Hon. Mr. Nixon: I notice the member gets aggressive only when they are following.

The Deputy Speaker: Order; question.

3 p.m.

Mr. Rae: One has to have more than one gear, that is all, and I intend to show the Treasurer yet another gear.

He must be aware that the University of Toronto gets about \$18 million as a result of students who are enrolled in the faculty of education and it gives that faculty about \$9 million in return. That is one of the principal concerns OISE has, and the Treasurer must know it.

In his final answer to me yesterday, the Treasurer indicated he was considering using his financial power in an attempt to bludgeon OISE into a relationship with the University of Toronto. Will the Treasurer withdraw the statement that he will so cut the budget of OISE on its own, that he will punish any attempt by OISE to retain its autonomy within the university system in Ontario?

Hon. Mr. Nixon: Mr. Speaker, I am surprised that you allow the honourable member to paraphrase my moderate comments yesterday in such a way. The words "bludgeoning" and "cutting" are his rhetoric, not mine.

In response to the member's rather inappropriate question yesterday, I indicated that while I believed in the long run I would have the power as Treasurer to do the really terrible things he is suggesting, I thought the wisdom of the boards associated with the two institutions would make any such suggestion completely unnecessary and hypothetical.

Mr. McFadden: I have a question for the Minister of Colleges and Universities. The Treasurer's proposal to transfer OISE to the University of Toronto has upset and alarmed students and educators throughout Ontario, as the minister must be aware. Would he inform the House whether he, as Minister of Colleges and Universities, intervened with the Treasurer on behalf of OISE? Would he also tell the House what advice he gave the Treasurer on this very important matter?

Hon. Mr. Sorbara: I am not sure exactly what my friend is getting at. If he is asking me to intervene, I can tell him simply and straightforwardly that the Treasurer (Mr. Nixon) and I had a number of discussions on this subject, both before and after the budget announcement. The member for York South (Mr. Rae) and my critic in the Conservative Party have taken and encouraged a very negative approach to this whole process.

It is clear that our initiative is directed towards an attempt to enhance both the University of Toronto and OISE. If I might suggest a precedent, I refer to the union of some years ago between a quasi-independent law school, Osgoode Hall Law School, and York University. The union of those two institutions under the umbrella of York University has been very effective for Osgoode Hall Law School, now fully a part of York University. The negativism that is coming from the other side misses the point entirely.

The question of consultation is one I have answered before. There is no doubt that the Treasurer and I have talked about this. I have also talked with faculty members and students, and our position is clear.

Mr. McFadden: Perhaps the minister made a mistake in the earlier advice he gave. We can probably take notice of that from the reaction it has had.

If the minister is not now prepared to intervene and to act as an advocate for the education community in Ontario on such an important matter as OISE, how can students, faculty and administrators in our province's colleges and universities have any confidence that the minister will be anything other than a front man for the ideas of the Treasurer?

Hon. Mr. Sorbara: I do not think I am a front man for anyone. Since this government has taken office, the government collectively and I as minister have been the most outspoken advocates of post-secondary education at OISE and every other institution.

Ms. Bryden: It seems to me it is time the minister sat down with the various communities at OISE and talked to them about his concept of the role of OISE in the educational system. Has he taken any initiatives to talk to the faculty and the unions beyond talking mainly to the directors?

Hon. Mr. Sorbara: I have answered that question before in this House. I have met with the faculty and union representatives. I have met with the director. I have met with members of the board. I have met with the president of the University of Toronto and the director of OISE. The discussions are proceeding.

What we are looking for now is an appropriate model in which to bring these two institutions together so that the work of both can be enhanced. The question is what are the appropriate structures we need so that the cement that binds these two institutions together allows for each of them to prosper as a collective whole.

TRANSITION HOMES

Ms. Gigantes: I have a question for the Minister of Community and Social Services. The minister is aware that the government's advertising program is putting increased pressures on the services which transition houses provide to battered women and their children. The new projects which are under development were all initiated by the previous government and last year half of the women and children seeking service in Ontario were turned away. I would like to ask the minister how long the policy of turning away women and children is going to continue?

Hon. Mr. Sweeney: The purpose of the advertising program was not just to speak to women who were looking for shelter but rather to be a wide-ranging source of information for a number of different purposes, and that is precisely how it is being used. In addition, we have set up a telephone hotline or help line with the assistance of a number of women's groups, particularly in the Metropolitan Toronto area.

We have also set up some family resource centres, particularly in the northern part of the province, to meet the additional need. The provision of additional services for transition houses and interval houses is an ongoing program, and new beds and new houses are being added on a continual basis.

Ms. Gigantes: I would like to point out to the minister that all those new developments were initiated or announced under the previous government. In March of this year, the leader of the Liberal Party made a speech to the Lakehead Women's Commission in which he illustrated what he called the failure of Tory policy by using the fact that Mississauga has only one shelter to serve 500,000 people and that it turned away 1,000 desperate women and their children last year.

He went on to promise a "solid commitment" to both first-and second-stage shelters and services and to "introduce a bill devoted exclusively to services for battered women." Where is that commitment?

Hon. Mr. Sweeney: As I have indicated, the program is an ongoing one. New services are being added. New houses are being opened up. In the six months I have been minister, I have personally officially opened three new houses and started a new hotline. The whole purpose of the program is to provide a network of services so that any woman requiring help at one source and unable to find it is redirected to another source. That is an ongoing program.

Mrs. Marland: I have not yet heard the answer to the previous question, and I would reiterate the concern about the people of the region of Peel. It is actually in excess of 500,000 people. The need has been identified for another interim place in Peel. Can the minister please answer that question, other than in the format of two minutes ago? There is a desperate need and we need the answer.

Hon. Mr. Sweeney: If the honourable member is asking whether or not we are aware of the need in Peel and whether Peel's needs are being taken into consideration along with everyone else's, the answer is yes.

3:10 p.m.

SKILLS TRAINING

Mr. Partington: My question is to the Minister of Skills Development. The minister must be aware that across Ontario 205,000 Ontarians over 25 years of age are unemployed, and 106,000 of them are women. After all the brave talk about the Futures program and skills training, what is the minister doing for those people? What hope is there for those 205,000 unemployed?

Hon. Mr. Sorbara: While the provision of jobs in the province comes within the responsibilities I have as Minister of Skills Development, it is not exclusively my own responsibility or that of any particular minister.

The member will be very aware of the initiatives this government has taken, through the Ministry of Industry, Trade and Technology and a number of other programs, to deal with the very serious problem of unemployment. Let us talk directly about the initiatives we have taken in the Ministry of Skills Development.

The Futures initiatives deal specifically with young people under the age of 25. We acknowledge there is a very serious problem of unemployment throughout the province.

We announced a project today that will be launched in Sudbury to deal with that very serious problem; and that is not the end, it is not the last step. Our ministry, in conjunction with the work of a number of other ministries in this government, is looking at ways in which to mount creative training programs and retraining programs that will help the serious problem of unemployment.

Mr. Partington: The 205,000 unemployed people of Ontario over 25 years of age deserve a better answer than that. Can the minister please be more specific? What plan will he implement?

What is he going to do to help solve this unemployment crisis?

Hon. Mr. Sorbara: I do not want to take up the rest of question period with a series of plans. Let me refer to a couple.

We have negotiated with the federal government, under the successor to the National Training Act, a scheme for training and retraining that will be much more market sensitive to the needs of business and industry in the province. Sums that were previously spent on training which was often not effective, will now be more effective. We are taking the pulse of industry much more directly now to find out where the employment needs are, so that we can match the training we do in skills development, in conjunction with the federal government, with the needs of industry.

Mr. Harris: That has been going on for a year.

Mr. Gillies: We started that a year ago.

The Deputy Speaker: Order.

Mr. Lupusella: Considering that the Futures program was announced more or less one month ago, can the minister tell this Legislature how many people in Metropolitan Toronto applied to this program and what kind of help did they receive?

Hon. Mr. Sorbara: I do not have figures for Metropolitan Toronto, but my understanding from the latest figures I have seen is that some 10,000 young people have registered in the Futures program since its inception.

While I have the opportunity, may I point out that one thing that is very gratifying to me as minister with respect to the Futures program is that a great number of these people—my understanding is almost half—have opted for the one-year guarantee, which is one of the most significant and important aspects of the program.

DEMOLITION CONTROL

Mr. McClellan: I have a question of the Minister of Consumer and Commercial Relations with respect to demolition and conversion control legislation. I am sure he is aware, as is the government, that we in Ontario are in danger of losing as many affordable rental units through the process of demolition and conversion as he will be able to build in the first year of his new housing supply program.

Can he explain to the House why he was not ready with his draft legislation when the housing policy was announced on Monday? When does he intend to bring the legislation into the House

so we can pass it quickly before we lose any more affordable rental accommodation?

Hon. Mr. Kwinter: That question should be more properly directed to the Minister of Housing (Mr. Curling).

An hon. member: He is not here.

Mr. McClellan: My apology, Mr. Speaker. I meant to say the Minister of Municipal Affairs.

Hon. Mr. Grandmaître: As I mentioned the other day when the Minister of Housing introduced his new program, I will be introducing new legislation very shortly. It is in draft form now, but some municipalities have been requesting a delay of one year while other municipalities have requested a delay of three years. At present, we are trying to find a suitable compromise to accommodate these municipalities. Very shortly after the holidays I will be introducing legislation that will satisfy all three parties, especially the government.

Mr. McClellan: I was hoping to give these letters to the Premier (Mr. Peterson). I will give them to him later this afternoon when he returns from his meeting. They are from 67 tenants from an apartment building at 580 Christie Street in my constituency. It is a 155-unit building, which is being converted to co-ownership and 155 tenants have received eviction notices and been asked to move out on to the street.

The Attorney General (Mr. Scott) has already written to them to say, "I regret that I cannot be of further assistance." Of course he cannot because of the absence of legislation.

I want to ask the minister if he will agree to bring the legislation into the House in the first week of January when we return? Second, will he make the legislation retroactive so that it will cover the tenants at 580 Christie Street and other tenants who find themselves in this disastrous situation?

Hon. Mr. Grandmaître: As the honourable member knows, at present the municipality can delay conversion of the units he just mentioned simply by delaying the construction permit. I can assure him that right after the holidays and before the end of January I will be introducing legislation to prevent demolitions and conversions.

Mr. McFadden: I think the problem we are facing, particularly in the city of Toronto, is a crisis this winter for a large number of tenants. In the event that it were not possible to amend the Municipal Act in such a way that it was universally acceptable to all municipalities, would the minister at least undertake to bring in

legislation that would allow the city of Toronto and other municipalities with a lot of housing stock that could be subject to conversion to at least be able to delay demolition?

Hon. Mr. Grandmaître: I am negotiating with the city of Toronto to try to accommodate it. The city would appreciate a three-year delay in demolition, and my staff is trying to find the right compromise.

I should also mention to the honourable member that the city of Toronto does have a special delay clause of one year, but I am looking at the possibility of accommodating it with a three-year delay.

LOANS TO MUNICIPALITIES

Mr. Brandt: My question is also of the Minister of Municipal Affairs. It concerns the arrangement his ministry made with the city of St. Catharines. This deal consisted of two loans to the city to cover the interest losses—I point out that is the interest losses, not the capital—the city had as a result of its investment in the Canadian Commercial and Northland banks.

Assuming the minister's own officials have told him about the deal and the loans, could he tell this House the total amount of loans made to the city of St. Catharines? What interest rate is being paid on the loans? When are the loans due? Why were details of the loans never made public by his ministry?

3:20 p.m.

Hon. Mr. Grandmaître: I can assure the honourable member there was a press release on this which appeared in a number of newspapers. The total loans, which were made in two phases, amount to \$21 million, interest-free naturally. There was a clause that we would charge them the same interest they would have collected if the federal government had made good. Since the federal government is not willing to pay interest on the \$25-million loss, we will not charge them any interest.

In answer to the second part of the member's question, the loan is due on January 1, 1986.

Mr. Brandt: I want to stress that I am not criticizing the loan to St. Catharines. I am, however, criticizing the manner in which the loan was arranged.

I would like to quote from the St. Catharines Standard. The mayor of St. Catharines in discussing the issue said "he had been instructed by the provincial Ministry of Municipal Affairs not to reveal any information about the loans to council or the public without the ministry's permission. The mayor said the ministry feared

other municipalities would come to the province for money if they found out about the loans."

Is the same deal available to Orillia, East York, Sarnia and other communities that are in the same position as St. Catharines?

Hon. Mr. Grandmaître: I said before that a little while ago I was being accused of keeping it a secret. The member has read it in a newspaper; so there is no secret. There was a press release also. I have never instructed the mayor of St. Catharines to keep mum about it. It is open.

Mr. Harris: The minister has his own little sweetheart deal and nobody else gets it.

Hon. Mr. Grandmaître: Maybe the question should be addressed to the local member.

Mr. Pope: No walls, no secrets.

The Deputy Speaker: Order. Will you let the minister answer the question, please.

Hon. Mr. Grandmaître: I have never asked the mayor to keep mum on this. It is a well-known fact that we are a responsible government. We have a responsibility to municipalities, and I have to help them.

EMISSION DISCHARGES

Mrs. Grier: I have a question of the Minister of the Environment. I am sure all of us on this side of the House applaud the minister's attempt to control acid rain, but we at this end of this side of the House are very concerned about the loopholes that exist in his program with respect to Ontario Hydro.

Could the minister be a little more precise than he was yesterday and tell us under what circumstances Hydro in 1986 might be allowed to exceed the 390,000 tonnes it can emit at present? Can he explain his definition of the catastrophe provision for which his regulation allows?

Hon. Mr. Bradley: That is a very fair question and I will quote this answer to it:

"In the event of a major disruption in electrical supply—for example, an unanticipated long-term shutdown of one or more of the nuclear units—Hydro will be able to apply to the provincial cabinet for special permission to exceed the emission limit by a specified amount over a specified time. This catastrophe provision has been provided in recognition of the realities of Ontario's dependence on electricity. The government of the day will decide if any other options are available to meet the emergency."

We are talking about a catastrophe that would leave the province in a blackout situation or a major brownout situation.

Mrs. Grier: I too have read what the minister has read to the House. Can I try to persuade him to be even more precise? We know, for example, that at present two reactors are down at Pickering for retubing. Does that constitute a sufficient catastrophe for an exemption to be allowed? In the case of further retubing of nuclear generators, will that be considered reason for an exemption?

Hon. Mr. Bradley: Any particular situation that arises must be brought to the attention of the cabinet, and certainly to the attention of the Minister of the Environment and the Minister of Energy (Mr. Kerrio), and we would have to evaluate at that time the justification being provided by Hydro for the opportunity to use some of its banking allowances. It would depend on the individual circumstances, and I would have to evaluate them at the time.

I cannot answer the member's specific question right now about whether the present circumstance would constitute that, but I can tell her that full documentation would have to be provided. As I have indicated, this is the kind of information I would want shared with all members of the Legislature through the mechanism of a committee or even in the House, so they would be aware of that information too and be able to evaluate it.

Ms. Fish: As a follow-up to the question of varying levels, can the minister confirm that his approach with Hydro and with the private sector is to provide an annual cap and not a daily cap, thereby opening up the possibility of substantial increased emissions on a daily basis that might, none the less, through plant shutdowns or closings, accord the same average over the year but still be very damaging to the environment in the short term?

Hon. Mr. Bradley: As the member would be aware, in most of these circumstances, they are on an annual basis at the present time. They will all be on an annual basis; that is correct. The evaluation will take place on that basis.

We think that is a reasonable way of doing it, because it has arisen in the past that, because people have to meet daily requirements, they do some rather interesting things to meet them. We think the accumulation on a yearly basis is most important.

As a ministry we continue to monitor—and the honourable member would be aware of this from her time in the ministry—on a daily basis emissions that take place in all of these plants to give us an idea of what is taking place, even though the averaging takes place over a year. That would be the basis on which the control

orders are placed. We think it is fair, reasonable and environmentally sound.

JUDGES' SALARIES

Mr. O'Connor: I have a question for the Chairman of Management Board. Was a commitment made by cabinet or by anyone on behalf of cabinet to the Ontario Provincial Courts Committee that if the committee recommended to the cabinet a salary level for the judges of \$80,000, it would be accepted by cabinet?

Hon. Ms. Caplan: No.

Mr. O'Connor: In the light of the fact that Edward Greenspan, a member of that committee at the time, states unequivocally that such a commitment was made and that the chairman of the committee, Alan Marchment, a committee member, Arthur Clairman, and the secretary of the committee, Doug Beecroft, a civil servant with the Ministry of the Attorney General, do not deny that such a commitment was made, is the minister prepared to stick to her statement that there was a misunderstanding or that no commitment was made? Or is she prepared to admit that those four honourable gentlemen may be right in their interpretation of what happened?

Hon. Ms. Caplan: Yes to the honourable member's first question; no to the second.

VISITOR

Hon. Mr. Nixon: I know the House would like to be informed that a good friend of ours, the former member for Essex North, Dick Ruston, is sitting under the Speaker's gallery on the government side. We welcome him back here.

3:30 p.m.

HOCKEY GAME

Mr. Sargent: I have a very important announcement to make. For the first time in 20 years, at Maple Leaf Gardens today the Legislature hockey team beat Ontario Hydro's team, winning 12-4. The four stars were the member for Middlesex (Mr. Reycraft), the member for Leeds (Mr. Runciman), the member for Wentworth North (Mr. Ward) and Alex McFedries.

PETITIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Pierce: I have 300 petition cards signed by 307 constituents in the district of Rainy River requesting that the Premier (Mr. Peterson) preserve public education in Ontario.

Mr. Rowe: I too have some 300 petition cards signed by members of District 27 of the Ontario Secondary School Teachers' Federation and other interested parties, urging the Premier to give consideration to the extension of funding to the separate school system.

Mr. Offer: I have a petition signed by 238 members of the Coalition for Public Education in opposition to the extension of public funding to the separate school system.

Mr. McLean: I also have several petitions on behalf of District 27 of the Ontario Secondary School Teachers' Federation, which I present to the Premier.

REPORT

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. McCague from the standing committee on general government reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Health be granted to Her Majesty for the fiscal year ending March 31, 1986:

Ministry administration program, \$57,796,700; institutional health program, \$3,450,894,000; emergency health services laboratories and drug benefit program, \$346,623,800; mental health program, \$311,022,100; community and public health program, \$413,900,900; health insurance program, \$2,093,206,700.

That supply in the following supplementary amounts and to defray the expenses of the Ministry of Health be granted to Her Majesty for the fiscal year ending March 31, 1986:

Institutional health program, \$63,000,000; mental health program, \$1,927,400; community and public health program, \$1,018,200; health insurance program, \$2,719,300.

INTRODUCTION OF BILLS

LOAN AND TRUST CORPORATIONS ACT

Hon. Mr. Kwinter moved, seconded by Mr. Offer, first reading of Bill 87, An Act to revise the Loan and Trust Corporations Act.

Motion agreed to.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Hon. Mr. Nixon moved, seconded by Mr. Riddell, first reading of Bill 88, An Act to amend the Legislative Assembly Act.

Motion agreed to.

Hon. Mr. Nixon: The purpose of the bill is to introduce amendments to subsections 60(1) and 60(2), section 61, subsections 62(1), 64(1), 65(1) and 67(1) and sections 68 and 69 of the Legislative Assembly Act. These enactments will allow for a salary increment of 3.9 per cent for members' indemnities, leaders' allowances, additional indemnities for the Speaker, Leader of the Opposition, leader of the third party, the Chairman and Deputy Chairman of the committee of the whole House and the chairmen of standing committees.

The same 3.9 per cent increase will also apply to the additional indemnities for the chief government whip, deputy government whip, government whips, chief opposition whip, opposition whips, chief party whip of the third party and the party whip for the third party. Expense allowances for chairmen of committees and members of committees will likewise increase by 3.9 per cent.

The opposition House leader and the House leader of the third party will also see their additional indemnities rise by 3.9 per cent.

Members' severance allowances, which currently provide for a severance allowance on retirement, defeat or resignation, equal to one half of the annual indemnity paid to a member immediately before leaving office, will be changed to one month of salary for each year of service with a minimum allowance of six months' salary and a maximum allowance of one year's salary.

EXECUTIVE COUNCIL AMENDMENT ACT

Hon. Mr. Nixon moved, seconded by Hon. Mr. Riddell, first reading of Bill 89, An Act to amend the Executive Council Act.

Motion agreed to.

Hon. Mr. Nixon: The purpose of this bill is to amend the Executive Council Act in order to provide salary increments of 3.9 per cent for the Premier and president of the council, ministers with portfolio, ministers without portfolio and parliamentary assistants to ministers. This act would come into force on April 1, 1985.

LEGISLATIVE ASSEMBLY RETIREMENT ALLOWANCES AMENDMENT ACT

Hon. Mr. Nixon moved, seconded by Hon. Mr. Riddell, first reading of Bill 90, An Act to amend the Legislative Assembly Retirement Allowances Act.

Motion agreed to.

Hon. Mr. Nixon: The purpose of this bill is to introduce amendments to the Legislative Assembly Retirement Allowances Act, 1985. The term "spouse" is defined in accordance with the definition in part III, support obligations, of Bill 1, An Act to revise the Family Law Reform Act, recently introduced into the Family Law Reform Act.

In accordance with recommendations received by the Board of Internal Economy from the standing committee on members' services, the pension accrual rate for members will change from the present four per cent for each of the first 10 years and 3.5 per cent for each of the next 10 years to five per cent of the average annual remuneration of the member multiplied by not more than 15 years of service. The eligibility requirement that age plus years of service must equal 55 will remain. Under part II of this act, the rate of contribution by the member will change from 8.5 per cent to 10 per cent. The effective date of these amendments will be January 1, 1986.

3:40 p.m.

HUMAN TISSUE GIFT AMENDMENT ACT

Mr. Poirier moved, seconded by Mr. Morin, first reading of Bill 91, An Act to amend the Human Tissue Gift Act.

Motion agreed to.

Mr. Poirier: The bill is intended to facilitate the obtaining of human organs for transplant purposes by creating an automated register for the names of all persons entitled to insured services under the Health Insurance Act, indicating whether each person has filed a general or specific consent to post-mortem organ donation, has filed an objection to the procedure or has done neither. Provision is made for the amendment of the register and for keeping it confidential.

NURSING HOMES AMENDMENT ACT

Mr. D. S. Cooke moved, seconded by Ms. Gigantes, first reading of Bill 92, An Act to amend the Nursing Homes Act.

Mr. D. S. Cooke: This amendment would build financial accountability into the system by having financial information presented to the Minister of Health and then tabled in the Legislature for the scrutiny of all members. The public has a right to expect its money is going for care, not for profits, and if this bill is adopted, we can examine how money is spent in the nursing home system.

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Mackenzie moved, seconded by Mr. D. S. Cooke, first reading of Bill 93, An Act to amend the Employment Standards Act.

Mr. Mackenzie: The bill adds three holidays to the definition of public holidays. They are Easter Monday, the first Monday in August and Boxing Day.

NOTICE OF DISSATISFACTION

Mr. O'Connor: I give notice under standing order 28(b) of my dissatisfaction with the answer to a question given by the Chairman of Management Board of Cabinet (Ms. Caplan) and express my intention to raise this matter tomorrow night at 10:30.

[Later]

Mr. Speaker: I would like to inform the House that, pursuant to standing order 28, the member for Oakville (Mr. O'Connor) has given notice of his dissatisfaction with the answer to his question given by the Chairman of Management Board of Cabinet. This matter will be debated at 10:30 p.m. tomorrow.

ORDERS OF THE DAY

The following bills were given third reading on motion:

Bill 45, An Act to amend the Corporations Tax Act;

Bill 46, An Act to amend the Income Tax Act;

Bill 47, An Act to amend the Retail Sales Tax Act;

Bill 48, An Act to amend the Land Transfer Tax Act;

Bill 49, An Act to amend the Tobacco Tax Act.

Bill 50, An Act to amend the Fuel Tax Act;

Bill 51, An Act to amend the Gasoline Tax Act.

[Later]

Hon. Mr. Nixon: On a point of order, Mr. Speaker: I require the attention of both opposition House leaders at least.

I made quite a point when introducing the revenue bills that they would not go into effect budget night, but only when they received royal assent. They have now had third reading. His Honour awaiteth to give royal assent now, but I am told by the officials of the Treasury that since this date was somewhat uncertain, adequate preparations to impose the new taxes immediately have not been made.

I have also been informed by the Clerk of the House that once a bill has had third reading, it is absolutely impossible to approach His Honour without asking royal assent of all bills that have had third reading. No doubt that must have made sense some time in parliamentary tradition.

So that I am not going to have to have royal assent of all the bills, which would be somewhat inconvenient for the people in Revenue who have not had a chance to know the specific date in advance, I am asking the House to revert to motions so that I can repeal the whole shooting match—no, rescind the order for third reading. The third reading order will come forward to the House again in two stages in the next two days for reasons that may or may not be made apparent and that members may or may not care about. I would like unanimous consent to revert to motions at this time. I am calling in all my IOUs.

Mr. Ashe: The minister does not have any.

Hon. Mr. Nixon: I do so. I just gave the member two this morning.

The Deputy Speaker: Do we have the unanimous consent of the House?

Agreed.

MOTION

Hon. Mr. Nixon moved that third reading of Bills 47, 48, 49, 50 and 51 be rescinded.

Motion agreed to.

SAULT STE. MARIE PIED PIPER NURSERY SCHOOL ACT

Mr. Foulds moved, on behalf of Mr. Morin-Strom, second reading of Bill Pr8, An Act to revive the Sault Ste. Marie Pied Piper Nursery School.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF TORONTO ACT

Mr. Shymko moved second reading of Bill Pr9, An Act respecting the City of Toronto.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF HAMILTON ACT

Mr. Foulds moved, on behalf of Mr. Charlton, second reading of Bill Pr34, An Act respecting the City of Hamilton.

Motion agreed to.

Third reading also agreed to on motion.

HIGHWAY TRAFFIC AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 17, An Act to amend the Highway Traffic Act.

Mr. Dean: I am pleased to take part in the debate on this bill. I wish to confine my remarks to the section that has to do with the suspension of licences when a driver is convicted of a crime under sections of the Criminal Code.

Mr. Swart: Mr. Speaker, are you not going to follow the rotation? The person who adjourned the debate yesterday was also a member of that party.

The Deputy Speaker: I am sorry. When the order was called, the only person who stood up was the member for Wentworth. No one else was on his feet; so I am sorry, but I must go ahead with the member for Wentworth.

Mr. Dean: I will not be long. The member knows me: quick and dirty.

3:50 p.m.

I know that every member of this Legislature, in common with everyone in Ontario, is concerned about the terrible problem of drinking and driving as it affects traffic accidents, loss of life, injuries to people and property and all the other undesirable effects.

Without wanting to repeat the very important comments that have been made before on this bill, I wish to remind members that traffic accidents in themselves are the fourth leading cause of death in Canada and are the number one killer of youth under 30 years of age. That is really a tragedy: the number one killer. That is not just traffic accidents caused by drinking and driving but traffic accidents in general.

In Ontario last year, 550 people were killed and 27,000 people were injured in alcohol-related accidents. Let us put that statistic another way: Every day in Ontario, on the average, two people will die in alcohol-related accidents and 81 will be injured, including some who will be maimed for life. Although these figures have dropped by 10 per cent since 1980, alcohol is still far too significant a factor in 50 per cent of the fatal accidents and 30 per cent of the personal injury accidents.

Those statistics are bad enough in themselves, but let us look also at the immeasurable cost in dollars. In 1981, the most recent year for which I could obtain figures, the cost across this country for alcohol-related accidents was \$5 billion. Those are facts and figures and they can be kind of cold; perhaps one gets numb to them after a

while. The personal loss tells the real story. How much larger than any of those statistics is the real cost in human suffering resulting from this lethal combination of human beings, alcohol and motor vehicles?

I ask the members of the Legislature who are present to imagine the positive effects in Canada of channelling the \$5 billion that is lost across the country as a result of this kind of accident into job creation, housing, education or many of the other issues we have so much before us here, instead of having to see it as a loss caused by a problem that need not exist to the degree it does, if at all.

The problem is not confined to some sleazy, hard-core criminal element of society; it is a very public concern about a public safety problem. It is the common habit of far too many of us and our fellow citizens to climb behind the wheel of a motor vehicle after what we call social drinks. The consequences of this widespread habit pervade many institutions: from hospital rooms to courtrooms and from there, sometimes, to funeral homes.

I would like to refer briefly to a study of this issue by the Traffic Injury Research Foundation of Canada in 1980. I agree that these are not the most up-to-date statistics, but they are better than none. They compared the blood alcohol level of 1,643 fatally injured Canadian drivers with a control group of about six times that many, about 9,750 drivers not involved in accidents who were stopped at random in a national roadside survey.

The results showed first that the risk of collision is higher for all groups of drinking drivers than for nondrinking drivers. Even drivers who have consumed moderate amounts of alcohol—for example, 10 to 49 milligrams per 100 millilitres—are, on the average, between 1.3 times and 2.9 times more likely to be fatally injured than are drivers who have not been drinking.

These data provide no support whatsoever for the contention we sometimes hear that small amounts of alcohol may make a driver more relaxed and thereby less prone to involvement in a collision. The fact is that the driver is more relaxed, but to the point of not responding to stimuli such as something he is going to hit.

Continuing from those smaller amounts of blood alcohol found, as the driver's blood alcohol level increases, so does his risk of collision. At lower levels, the rate of increase is relatively slow, but the risk of collision accelerates rapidly with an increasing blood alcohol level. When one reaches or is slightly above the statutory limit of 80 milligrams per 100 millilit-

res, the likelihood of collision is between 5.5 and 13 times as great as the average nondrinking driver.

Those are stunning statistics. It is not that one is slower or less alert, but the actual likelihood of colliding is from five to 13.5 times as much as one approaches the 80-milligram level.

The real conclusion to that is one stated very succinctly by Jean Robitaille of the Insurance Bureau of Canada, who said: "These results lead to one conclusion: If you drink, don't drive at all."

There is no question that the tragedy that results from drinking and driving is becoming less and less acceptable in all quarters of our society. We are no longer willing to tolerate such an enormous waste.

There is increasing evidence that we are changing our attitude towards drinking and driving and recognizing instead that some drunk who uses an auto as a three-ton missile is just as guilty of a criminal action of death and destruction as anyone else who contravenes the Criminal Code. We are coming to realize, and to insist, that such a person be treated by the courts in the same way as we have historically dealt with vandalism, robbery and murder.

Recently, as a sign of this change of attitude, not only among the general population but also among the judiciary, drunks have been subject to more vigorous detection, prosecution and sentencing.

For example, within the past year, a drunk driver who killed two men on Highway 401 in a hit-and-run accident got three and a half years in jail. That does not solve the tragedy of the people who were killed, but it does show we are beginning to mean business in this issue.

I want to quote very briefly from a statement made in October by His Honour Justice B. J. MacKinnon of the Supreme Court. As an aside, I became acquainted with Mr. MacKinnon when he was a student at the same fine university I attended, McMaster University. In his courtroom, as he extended a 20-month sentence to three years, thereby setting a good example for other judges, he said other judges should attack this problem by handing out stiffer sentences. He went on to say:

"In my view, the sentences for the so-called lesser offences in this field should be increased. The variations in the penalties imposed for drinking and driving are great, and increasing sentences for offences at the lower end would emphasize that it is the conduct of the accused, and not just the consequences, that is the

criminality which we are punishing. The sentence should be such as to make it very much less attractive for the drinker to get behind the wheel after drinking."

I think we can all applaud those statements of Mr. Justice MacKinnon.

The bill we are considering now, as has been stated by other speakers, was first introduced by the minister of the day, the member for Dufferin-Simcoe (Mr. McCague). It contains many of the same provisions but has been strengthened since then. I think I speak for most of us here when I say I welcome the strengthening of the provisions for licence suspension that are in the bill, which I do not need to rehearse. The fact that it is now proposed that the suspension be automatic for a first-time offender is most important and most encouraging.

4 p.m.

Mr. Speaker: Order. There are a number of private conversations around the member who is trying to speak. The member for High Park-Swansea (Mr. Shymko), please.

Mr. Dean: Thank you very much, Mr. Speaker. I can hardly hear myself sometimes. Maybe I am lucky.

Like my colleagues, I have strongly supported the reduce impaired driving everywhere program which has been applied by the police for many years. I believe, as some of my colleagues have stated, it should be extended to a greater portion of the year, as police officers are available to do it.

As desirable and important as RIDE is to the resolution of this whole issue, even more desirable and a more permanent solution is to change attitudes towards drinking and driving.

In years past, while we were still the government, our party helped to establish the many anti-drinking-and-driving committees in more than 60 municipalities in Ontario. These have a real potential to change public attitudes and to reach our goal; a complete unacceptance for drinking and driving.

I also support the provisions in the bill for dealing severely with drivers who drive while their licences are suspended. If these measures seem too strong to anyone, may I refer that person to someone who sat in this House for many years and who dealt with the same problem, former Attorney General Mr. McMurtry. I quote from a statement he made about a year ago, "It makes little sense to impose minimum sentences for impaired driving or driving with more than 80 milligrams and to provide for no minimum sentences for criminal

negligence causing death, dangerous driving or leaving the scene of an accident; all offences that often involve drinking and driving." This is the sentence that is important, "Lifetime driving suspensions should be considered in any case where death results."

I think some might find that a little extreme at this point, but I think it is a goal we should move towards. We cannot afford the carnage caused by careless drivers who drink.

In closing, I would like to state that I also support the movement that is afoot for raising the minimum drinking age to 21. Impaired driving is a major contributor to the problem that we have with young people and alcohol and their driving. In my first remark, I pointed out that it was the major factor in auto accidents and in deaths of people under 30. Alcohol is a big portion of that.

I strongly support these anti-drinking-and-driving measures in Bill 17.

Hon. Mr. Fulton: On a point of order, Mr. Speaker: Before the debate continues, I have a point that should be brought up about the withdrawal of one of the amendments. The amendment to subsection 26(4), dealing with certain licence suspensions issued prior to December 14, 1984, contained within motion 4, has already been circulated to the critics. This will not be brought before the House, on the advice of the Ministry of the Attorney General, and following consultation with the relevant critics.

Mr. Swart: Like the previous speaker, I rise to speak on this bill primarily because of the section that it contains with regard to the loss of the driver's licence for a period for conviction on impairment charges. I want to take part in this debate because it is such an important issue and because I support the bill. I guess no one can do otherwise with the statistics quoted by the member for Wentworth (Mr. Dean), showing that half of the driving fatalities are due to the excessive consumption of alcohol. There are also all of the other related injuries and costs associated with it. With regard to public opinion, I suppose about 90 per cent are in support of tougher legislation for drunk driving.

This is only part of the whole problem of excessive consumption of alcohol that this government is dealing with. I am not suggesting the minister is, but his government is dealing with it in a hypocritical and largely ineffective manner. That needs to be said and documented.

Let us make no mistake about this legislation. At best, by itself it will only marginally lessen drunk driving. In the long run, it may not reduce

it at all. It does nothing or very little in the field of prevention, which I am sure the minister is concerned about—not penalizing but preventing. I admit it will probably have some immediate impact, quite a large immediate impact, in reducing impaired driving in the province, but it will creep back up to almost the same level. The minister must know that has been proved in all the jurisdictions where it has been tried.

I have a rather comprehensive study which has been done on the effectiveness of drinking and driving laws in Sweden and Great Britain. Their laws are much tougher than the ones we will have even after this legislation is passed and after the federal government's legislation is in effect. After talking about all the penalties that are being assessed, including the loss of licence, the writer, H. Laurence Ross, a Canadian from Toronto, said:

"Thus, there is reason to expect that supplementing the risk of injury with the risk of criminal punishment would have beneficial social consequences through the deterrence of drinking-driving. However, there is little evidence currently available concerning the empirical validity of this expectation."

The minister will have studied the interministerial task force on drinking and driving that was tabled, I believe by then Premier Davis, in 1983. It gave an excellent summary of legislation in place in other jurisdictions, particularly in Europe, and the tremendous penalties that are levied against drunk drivers there. In the Scandinavian countries, in Sweden there is a one-month mandatory jail term plus a one-year licence suspension if the blood alcohol is more than 150; in Finland the first conviction carries a maximum four-year sentence, there is an eight-year sentence for an accident resulting in death and on a second offence, permanent revocation of driving licence.

The writer concludes, "However, alcohol-related fatalities have continued to rise for most of the period these laws have been in place, while the actual risk of apprehension remains low." I do not want to take a lot of time, but the minister must know that unless there is a very careful and intensive policing of the laws, they have very little effect over a period of time.

The writer goes on to say, "I would also argue that imprisonment of thousands of people for many weeks on the basis of a scientifically unfounded belief in the necessity of such punishment should be considered dubious social policy and that controlled social experimentation would be possible with regard to this question."

4:10 p.m.

Are the tremendous penalties that have been in place in Europe and the lesser penalties we are now imposing here going to be effective in prevention? The answer has to be no. From the answer given by the Attorney General (Mr. Scott) to a question the other day, it seems this government does not intend to put money into having a RIDE program all year round. He said they simply cannot afford it. If we do not have it after a period of time, drunk and impaired driving offences will be up to the same level as they were before. Simply stated, it will not do much to solve the drinking and driving problem and it will assess penalties which are going to be costly to individuals and costly to society.

There is another problem with what the minister is doing. By focusing on this issue, as serious as it is, we are ignoring the other alcohol-related problems which in total far supersede this problem.

I am sure the minister will have read the 1983 report of the federal government, *Perspectives on Health*, which says a total of more than 18,000 deaths in 1978, or 10.9 per cent of all deaths in Canada that year, have been linked with alcohol consumption. There were an estimated 635,000 alcoholics in 1978, or one adult drinker in 20. This total has more than doubled since 1965.

An estimated 1.4 million persons, or one adult drinker in 10, now suffer from an alcohol-related handicap. In Canada, we lose about 2,000 people a year in alcohol-related accidents on the road. It points out here that in total we lose 18,000 people in Canada from alcohol-related deaths.

I have here a study done in Philadelphia which shows that in 34 per cent of all the rape cases, alcohol was involved; a person had been drinking. The *American Journal of Psychiatry* shows that 50 per cent of all rapes involve alcohol. The minister may think I am getting off the subject, but I am using this to make a point that I shall be coming back to with regard to drinking and driving. Of all those rapes, 35 per cent were performed by alcoholics, according to the *American Journal of Psychiatry*.

In 1978, the Hamilton police force tabled a report which showed that 44 per cent of the offenders in family violence cases were under the influence of alcohol when that violence took place.

There is no question about it; the greatest social problem we have in our society at the present time is excessive consumption of alcohol. If the government really wants to reduce drunken driving and all these other problems,

then we have to reverse the trend of greater and greater consumption of alcohol which has been in place in this province over the last 50 years.

I suggest this is where the government is being hypocritical. At the same time that it is proposing, implementing and enacting the legislation on drunk driving, it is proposing to increase the consumption of alcohol in this province by placing beer and wine in the grocery stores. Members of the government will deny this is going to increase consumption.

If they will take the time to objectively examine the studies, I suggest they will find it will increase the consumption of alcohol, in two areas in particular: one with the young and the other with those people who already are heavy drinkers. The Alcoholism and Drug Addiction Research Foundation points this out, as I am sure the minister is aware.

However, he may think it is popular to go ahead and introduce beer and wine to the grocery stores. I suggest that if he thinks it is not going to increase alcohol consumption and thus increase impaired driving, he should look at the Gallup polls. Maybe he has looked at them, because they have been taken on this issue.

The public of this province are way ahead of the government in this regard. I have two polls here. One was taken for the government and is a report by the small business section of the Ministry of Industry, Trade and Technology on August 16, 1985. The question was asked, "Do you think the sale of beer and wine in supermarkets, corner grocery and convenience stores would increase the likelihood of alcohol abuse?" The minister must know the figures. Forty-five per cent of the population said yes; five per cent said no. There is a further breakdown and I am sure the minister will have read it.

I do not know whether he has seen the study done by the polling firm of Angus Reid with regard to this. It asked even more specific questions on the anticipated impact of extending the sale of beer and wine to corner stores. It asked a question about sales to minors, "Will it promote less sales to minors?" Five percent said it would and 82 per cent said it would be worse.

On sales to drunks, "improve" was six per cent and "worsen the situation" was 77 per cent. I now come to one that should be of concern to the minister, impaired driving. "Improve the situation" was seven per cent and "worsen the situation" was 70 per cent. Ten times as many people think it will worsen the situation. Another question was about whether the number of social

problems related to drinking would increase; 67 per cent said yes and 28 per cent disagreed.

I suggest the minister listen to the public. The majority of the people asked were people who themselves drink. Some of them drink to excess. They said this will be the result of putting beer and wine in grocery stores. If that does take place, it is a real likelihood. I know all kinds of studies will show different results, but generally speaking and on average, the majority show there will be an increase. The probability is that any benefit from the new moves by the government on drunk and impaired driving will be more than offset by easier access to alcohol.

That is the insincerity of this legislation. The government cannot have it both ways. It does not make any sense for it to increase accessibility to alcohol on the one hand, saying, "It is fine for you people. Put it in the grocery stores. It is the same as any other commodity such as food," when it knows the young and those who are already excessive drinkers will drink more, and then on the other hand increase the penalty for drunk driving.

After this does not work, the government will raise the drinking age to 21. The Attorney General has said he has seen a study showing that does not help. That study may be right, although all the other studies show the reverse. If we raise the drinking age to 21, it will cut down on impaired accidents, though not proportionately more than with any other age group.

Studies done in the United States show that raising the drinking age to 21 has not really done anything to improve the drunk driving situation because alcohol is so available. The young people get it when they go to grocery stores. In most places in the US they have it in every store. They go out and get it. That has not cut down on drunk driving appreciably.

What the minister will do if he introduces legislation to go ahead with beer and wine in grocery stores, and there will be such a public demand that the government will do it, is that he will penalize young people between the ages of 19 and 21 for his mistake of putting beer and wine in grocery stores.

4:20 p.m.

I suggest to the minister and his government that he should reconsider that policy if he is sincere about this bill. He knows very well the arguments I have put forward are correct and valid. If that is true, and I suggest to him it is, he should give some further consideration to the next move he is going to make in this House with regard to the consumption of alcoholic bever-

ages. If his government is concerned about the problem of drinking and driving, it should take this as the first step and then embark on a real policy to reduce consumption. That is really what we want to do.

In recent years we have reduced the consumption of tobacco. No one can argue that this has not been beneficial. We have deglamourized it. There are ways of doing it with alcohol, too, if the government has the courage to go ahead and do it. That really is the only answer to the problem we face in our society.

While I am supporting this bill, and I think every member in this House will support the bill that is before us today, if we are really sincere about what we are going to do, then we have to take the next step I have outlined. I have not gone into it in detail, but at some future date I will go into it in much more detail.

We have to take steps to deglamourize alcohol. We do not want to prohibit the use of alcohol—nobody is proposing that—but to endeavour to decrease its consumption in our society so we can reduce drunken driving and all the other problems we have that are associated with alcohol.

Mr. Shymko: I am pleased to participate in the debate. I support the bill, but I share totally the concerns expressed by the member for Welland-Thorold about some of the contradictions and hypocrisy associated with it. On the one hand, we are pursuing with a firm determination those who create the unacceptable, tragic consequences of consuming alcohol and driving by increasing the original proposal of Bill 17 from a suspension of six months to one of 12 months and from one year to two years on a subsequent conviction. Yet on the other hand, we are contemplating and publicly declaring we will allow for a greater consumption of alcohol at the same time as we will prosecute more severely those who consume that alcohol and dare to take that vehicle, which becomes a weapon of destruction and death.

I find it hypocritical and to some degree sadistic that we are passing strict legislation on suspensions and on convictions and at the same time tempting more people to consume more alcohol, as has been pointed out time and time again by researchers, by facts and by the very people who made this legislation possible today. I refer to a community organization called People to Reduce Impaired Driving Everywhere.

I want to refer to the words of a former Attorney General, who commented in a statement made on September 1, 1983, on a task force

report that had been released on August 18 of the same year. This task force report, entitled Drinking and Driving: A Discussion of Countermeasures and Consequences, was the result of the work of eight ministries.

As this report was being tabled, the then Attorney General said: "There have been efforts for the past many years throughout the world to combat drinking and driving, efforts which unfortunately to this day have failed to produce a sustained decrease in alcohol-related deaths, collisions and accidents. Part of the reason for this failure is that up until now we have been too quick to look to our police, to our legislators and to our courts for a solution to a problem which is social and not legal."

That is the main and fundamental essence of a dilemma we are facing today. The problem is not legal and this bill will not resolve the problem. It is a social problem. As we speak on this bill today, trying to find social solutions to a serious problem, 81 alcohol-related accidents will occur in which two people will die. I find it hypocritical that we are speaking of introducing beer and wine in corner grocery stores which will result in nothing else but an increase in consumption.

I know the minister is seriously concerned about the measures that have been taken in this bill. In the next few weeks and months, I ask him to sit down with the Minister of Consumer and Commercial Relations (Mr. Kwinter) and have him realize that what he is contemplating to do in some future legislation will totally contradict and sabotage what the Minister of Transportation and Communications (Mr. Fulton) is doing with this bill.

The Addiction Research Foundation has said the following: "Any proposal for the sale of beer and wine in grocery and corner stores will have a tragic impact on public health. It will have tragic consequences socially in this province."

This foundation, in a study of possible effects of permitting beer and wine to be sold in a limited number in 1,700 new outlets, said the sale of beer and wine through private retailers would result in a per capita alcohol consumption increase of 0.6 per cent to 3.2 per cent. It further estimated that the number of persons consuming alcohol as a result of such measures would be at levels associated with alcoholism and would increase by 1.2 per cent to 6.5 per cent.

That is a frightening statistic. What we will be doing is increasing not only the consumption of alcohol, but also the statistics I will quote to the members. The tragic statistics will increase. Instead of having an alcohol-related accident

every five and a half minutes in this country, that statistic will increase to a tragic situation of every four minutes.

The statistic for the number of drivers killed who had been drinking will increase to more than the present 50 per cent. The statistics for the alcohol-related deaths of two persons and the 81 motor vehicle accidents which occur every day in Ontario will tragically increase as well. We know that of the 641 drivers who were killed in Ontario in 1981, 58.7 per cent had been drinking. That statistic will increase if the government introduces beer and wine in corner stores.

4:30 p.m.

I point out another very important statistic and statement made by Dr. Eric Single in an article entitled *International Perspectives on Alcohol as a Public Health Issue*, which was published in June 1984 in the *Journal of Public Health Policy*. This is what Dr. Single has to say:

"There is a substantial and growing body of evidence which indicates that the greater the availability of alcohol in a society the greater the prevalence and severity of alcohol-related problems, including tragic deaths and accidents as a result of alcohol combined with driving."

Dr. Single has observed elsewhere that when Quebec allowed independent retailers to sell wine in 1978, the increase in alcohol availability was clearly linked to an increase in consumption. An increase in consumption will result in an increase in traffic deaths, as a result of the combination of alcohol and driving. The minister knows very well it is hypocrisy to introduce this bill, while planning to introduce another piece of legislation that will increase the consumption of alcohol.

I would like to point out the views of the Addiction Research Foundation on the connection between easier access to alcohol and higher incidence of consumption, which are shared by such organizations as PRIDE. That group was at the core of leading the concern and making this a public issue that resulted in this bill.

That is stated not only by the former Attorney General but also in the report. I want publicly to congratulate and to commend that organization for raising this issue in the past two years and for doing research which we as a government had not done. As a community group, they have done more research than we have, and I want to give them credit where credit is due.

The report says the drinking and driving countermeasures and any legislation that may result will come from citizen groups such as PRIDE for putting pressure on the social leaders

and legislators for action. In a tragic sense, says the report, PRIDE members have become the experts on the consequences of drinking and driving. At the same time, in a positive sense they have been able to create an unprecedented awareness in society of this daily tragedy to which we now are reacting with this legislation.

There is a concern, however, that unfortunately this organization requires more access. They require access to the most up-to-date information on countermeasure activities, as well as a direct line of access to the various ministries, including the minister's own, involved with drinking and driving. If there is anything we should do now as a result of this legislation, we should provide more assistance to organizations such as PRIDE, sit down with them and see whether we can follow some of the recommendations they have been making continuously, not only to our government but also to the federal government and to municipalities and police forces.

I would like to point out that in a speech to the annual general meeting of PRIDE in Toronto on October 19, Dr. Evelyn Vingilis, a researcher with the Addiction Research Foundation, reminded us that in countries where drinking and driving is not tolerated, notably in the Scandinavian countries, the message is consistently being given at all levels. Only through laws, through sanctions, through education and a strong social message, combined with tough controls, can we give a constant message that will be effective in curtailing drinking and driving.

It is a simplistic mentality that thinks we will resolve this tragic problem by addressing it with this piece of legislation. It is an important act, but it is part and parcel of a much wider issue of concern.

I want to reiterate some of the aspects of contradiction I raised earlier between the minister introducing this bill and the thought of future implementation of legislation that will increase consumption of alcohol in this province. The United Church of Canada shares these concerns with PRIDE. The Ontario Liquor Board Employees' Union—and I think this is why the third party is so concerned because they listen to the wisdom of our working people and of our union leaders—has said in the following statement from one of its reports:

"The liberalization or Americanization of liquor sales in Ontario would be a dangerous and short-sighted policy that would undermine Ontario society by," and I want the honourable members to listen to this, "dramatically raising the incidence of under age drinking, automobile

deaths and injuries, as well as the costs associated with these types of negative developments."

Stubbornly and consistently, the government members refuse to see the relationship between these two areas of legislation. On the one, they are to be complimented for moving in the right direction; on the other, they are sabotaging it in a very sadistic way, tempting people to consume more alcohol, providing more access to alcohol and then slamming them with this legislation. This hypocrisy has to be pointed out today. We will continue to point this out as we debate what the present administration contemplates doing some time in the spring of next year.

I would like to refer to a very important statement which was made as a preamble to the recommendations of this important task force. I have not heard anyone refer to this discussion paper. I would like the minister to listen to what this task force of eight ministries of this government has said: "Regardless of what legislators may or may not do with the recommendations, we are faced with one undeniable fact—there are no guarantees of success."

"This paper, like so many before it, illustrates that no single measure has proven itself effective in pushing the alcohol-related accident statistics on a sustained downward trend.

"Whatever effort or combination of efforts is decided upon cannot"—and this is underlined—"in light of the best research, be expected to effect a permanent change in the drinking and driving behaviour practised by our citizens."

They conclude by saying, "Recognizing the need for a heavy hand in our enforcement efforts and in our courts,"—represented by this bill—"we nevertheless feel compelled to look to the community itself for the ultimate solution for drinking and driving."

The solution to a social problem is a social solution and it is the community educational process that will really move in the direction of resolving this tragic dilemma.

The example they point out is similar to the anti-smoking campaigns of the 1960s, which created in society a sustained and growing anti-smoking set of values and what can best be described as an anti-smoking society for the 1980s. It took 20 years of campaigning finally to brainwash—if I may use the term incorrectly—society to shift its values and realize the importance of the effects of tobacco on one's health.

In a similar way, this task force feels this legislation and future legislation, which should

be the opposite of having beer and wine sales in corner stores, should make a similar effort and will be necessary to produce similar results in the area of drinking and driving.

4:40 p.m.

Beer and wine in grocery stores will do the opposite. On the one hand, imagine an anti-smoking campaign and, on the other hand, government legislation that will promote and try to effect more smoking among citizens. That is the comparison and the lack of logic one would have seen if something similar had been done in the area of tobacco and health.

I would like to point out that the first recommendation calls for a community-based effort. It speaks of the need for the public and politicians such as ourselves to make the necessary mental adjustments, if I may describe them in that way, for a generation-long commitment to a problem that already has killed many individuals who would have been of great benefit in contributing to society.

I will not speak of comparisons with other countries other than to point out that if one makes a comparison of accidents per 100 million kilometres driven, one sees the average is 2.7 for Canada and 2.0 for Ontario, while it is 6.9 in Spain, 5.4 in Austria, 7.7 in Belgium and 3.9 in the Federal Republic of Germany.

While by comparison we are not in as tragic a state as some other countries, nevertheless we should take a look at some of the states south of the border. For example, why is it that in Michigan the comparable statistic is 1.7, in Pennsylvania it is 1.8, in Ohio it is 1.4, in Illinois it is 1.8 and in Indiana it is 1.4? It may be related to the fact that the US maximum speed is 55 miles per hour. There may be other factors. I urge the minister to take a look at these other jurisdictions to see what they are doing and so our statistics could be lowered.

The task force suggests a pilot project. The minister should take a look at that recommendation. In addition, the task force says the problem should be tackled at all levels—law, education, conventional and alternative sentencing, rehabilitation programs, communications and so on.

The second recommendation is for the establishment of a permanent office to deal exclusively with drinking and driving, an office that would be directly accountable to the Office of the Premier (Mr. Peterson). The Premier may be interested in this proposition. It would be an office whose basic aims would be to co-ordinate long-term planning, to supervise research, to update the information we have, to initiate new

anti-driving efforts and to act as a liaison between government and the public. That is something the present administration may want to contemplate.

I would like to ask the minister to look at other issues. I will be concluding my remarks shortly since I see some of my colleagues passing messages to me; I will not read what they say. One note in particular should be passed to the House leader and not to me.

This is a very important issue. What I find tragic is that in addressing this legislation and the problems affecting it, we are being rushed. I would have hoped that this bill would have been introduced two months ago so the member for Welland-Thorold (Mr. Swart) could have elaborated even more eloquently than he did when he pointed out the fundamental contradiction of what is happening today and what may happen in the future with the new legislation.

I know other members would have loved to have participated. For the sake of allowing that to happen, I will simply say that the following recommendations should be looked into by the minister: increased visible police enforcement; increased roadside checks and breath-screening devices. Another recommendation is to institute what has been done already, photo licences. The task force also mentioned fingerprinting; I know it is a dangerous area to dwell on when one starts asking that fingerprinting be done, but that was one of the recommendations.

Another area is to co-ordinate the communication efforts. We need more driving data. For example, records of drinking and driving do not exist. After five years, I believe, they are eliminated so that, for example, someone who is convicted in Manitoba is not likely to appear in our records here. Someone may have 10 or 15 convictions in other provincial jurisdictions, but we do not know that. There is no co-ordinated effort to record convictions in other provinces. That information is not available, according to the task force.

On the drinking age, this administration should seriously take a look at whether the drinking age is appropriate and perhaps should feel the pulse of public opinion about raising the legal age requirements.

I would also like the minister to take a look at the driving age. The report of the task force says, "We speculate that tradition and traditional views alone do not constitute justification for omitting a serious review of the province's established licensing criteria"—namely, the driving licence at 16. Those who are between the ages of 16 and 24 account for 40 per cent of all accidents, although

they represent only 20 per cent of the population. We can see the problem in the age at which one is issued a driver's licence.

The minister should also look at the advertising aspect. I was notified yesterday by the member for Mississauga South (Mrs. Marland) that some private companies, such as Hiram Walker and Sons Ltd., have what they call a "Designated Driver" program. If you go out and party all night and if there are five people, four do the drinking and one abstains. I am sure distilling companies are doing a lot of advertising, but much of the advertising should be done by the government as well.

The last recommendation is that we should lower the blood alcohol concentration level from the present 80 milligrams. That is a suggestion of the task force.

In conclusion, I support the bill, but I want to point out the basic contradiction and hypocrisy of what is being introduced today, which has the support of everyone in the House, and what is being planned in the spring of next year.

Mr. Warner: I have been warned: Five minutes and no more, or I am a dead person.

The members have spoken quite clearly, and I take it the minister has a concern and an understanding as well, that punitive measures alone are not the answer to the problem. Ultimately, we are looking at self-discipline somehow.

I support the bill. I think it reflects the deep anxiety that a lot people in Ontario are feeling and is probably an expression of some very serious and deep concern people have. However, I will raise a different kind of concern, which is that as we move towards a punitive form of handling a problem, we tread on civil liberties.

There are times when we do that, and we always rationalize it by saying that we weigh it against the greater public good. We in this House did tread on civil liberties, for example, when we decided to institute seatbelts. I do not think anyone in this House today would disagree that this was a good decision, and the people of Ontario have accepted the seatbelt. When we did it, though, we acknowledged that in a sense we were treading on civil liberties.

When we move towards the type of program the government is announcing, we are again treading on civil liberties. We have always taken it as a basic premise that law enforcement officers will stop individuals and arrest them where there is cause. That is a fundamental basis of our policing. We have decided that this is not

necessary in certain circumstances on the highways; that the police do not have to show cause.

We are willing as a House, I guess, to suspend what is normally a civil liberty for individuals because of what we perceive to be the greater good. I raise it as a caution because, if we start down this path of punitive measures and they are being increased in scope, then we run the risk of abusing civil liberties even more than we are willing to do at this stage. It is a very serious concern. We know from examples around the world that punitive measures are not the final answer.

4:50 p.m.

I am surprised that people bring the question of the drinking age into the debate on this bill. I can only assume it is brought in emotionally and without fact. The fact is that the incidence of fatalities with drinking drivers is almost identical across the age group from 18 to 65. We know that. Raising the drinking age to 21 is not an answer. What it does is punish a group that is no more to blame than anyone else in our society.

Beer in corner stores? What a leap in logic. Beer in corner stores is an issue of availability; it is not an issue of consumption. With respect, it has absolutely nothing to do with the bill before us. I defy a member of this House to put forward a study that shows availability causes more accidents. There are none. Contrary to those folks who are all wrapped up in the puritan argument in Ontario, the Addiction Research Foundation recently told us it was pleased to say that consumption among young people has decreased over the past five years.

Perhaps I will mention a couple of issues now, rather than in clause-by-clause, that the minister can respond to. In subsection 7(3c) of the act, as set out in section 1 of the bill, I assume it is possible to impose a penalty on the owner of a car who may not have been the driver when the ticket was issued. That causes me concern.

I would like an explanation as to why "streetcar" is mentioned in clause 1(a) of the act, as set out in section 3 of the bill on page 2, and is not mentioned in the following clauses (b) and (c).

On page 3, in section 5 of the bill, I raise a concern about section 29 of the act trying to link payment of a fine, which is an economic question, with licensing. I am not convinced that is a proper thing to do. There has to be a different avenue towards licensing than going at it through fines. I would like an explanation as to why it is being imposed.

Finally, I raise a concern arising from page 6, section 192 of the act, where it refers to "the motor vehicle driven by you or under your care, charge or control...." I wonder whether "charge" means the owner, which would suggest that in a case where they cannot identify the driver, the police are empowered to go after the owner, who may not have been the driver. In the case of someone leaving the scene of an accident when the police are unable to identify the driver, are they then empowered to go after the owner of the vehicle, who may not have been the driver?

Having said that and having kept within the time frame, I am pleased to support the bill.

Mr. Pope: For the benefit of the member for Brampton (Mr. Callahan), I have decided to comment at length on this legislation. I know he always enjoys it. This is also for the benefit of the member for Mississauga East (Mr. Gregory), who threatened me with physical harm if I carried on for more than five minutes.

I want to underline the relevance of the comments that were made by my friend the member for High Park-Swansea (Mr. Shymko). I hope when members of the government caucus are imbibing together over the holiday season, they will reflect upon their attitudes towards some of the issues that have been properly raised by that member.

I remember a day in July 1985—it may have been July 11—when some comment was made by the member for Sudbury (Mr. Gordon) with respect to a certain reception on the front lawn of this building for which no liquor permit was given. I recall that someone in the executive council had not bothered to get a liquor permit, and he talked to his friends who were assembled there in victory, about sipping the illicit champagne. I recall that happening and no one denying that statement was made.

I also recall something called the Aurora Borealis, a ship in the Toronto harbour, and an invitation sent out on a flyer far and wide across the province. For \$20—that was right on the invitation—one could join the Ontario Young Liberals and drink as much as one wanted. Two charges were laid for liquor offences after that reception for the Ontario Young Liberals. Young people were invited down to the waterfront to drink as much as they could and then came back to town. No doubt some of them were driving automobiles.

I recall a very active and busy fall of fund-raising for the Ontario Liberal Party. For \$150, \$250 or \$300 one could go and drink with

the Liberals at cocktail parties across the province.

Some hon. members: Shame.

The Acting Speaker (Mr. Morin): Order. I remind the member that the debate is on An Act to amend the Highway Traffic Act. Please continue.

Mr. Pope: I am glad you gave me that rest, Mr. Speaker, because it reminded me of a couple of other things. I recall a leader of a provincial political party going from one end of the province to the other in the months of April and early May talking about making beer and wine more available to everybody. Not only did he want to increase the number of outlets of the Liquor Control Board of Ontario; he also wanted to let people drive to their corner store, pick up beer and wine and drive home or wherever else they wanted to drive to.

Mr. Gillies: And consume a few bottles on the way.

Mr. Pope: Yes, whatever they wanted. It was a wide-open society: no doors, no windows, the sun was going to shine in. One could do what one wanted with alcohol, on the highways, on the front lawn of the Legislature, wherever one wanted.

It seems to me this government should reflect upon its attitudes towards these issues over the winter season and come back and explain to us how it can bring in these reforms on the one hand and do all the nonsense it has done over the past six months on the other hand.

5 p.m.

Mr. Mackenzie: I will be very brief on this bill, which is something I cannot say for some of my colleagues to the right. I support the bill. I do not think it is the kind of bill we need to rant on about in this House. The bill recognizes the tragedy of drinking and driving. The figures in terms of injuries, deaths and family devastation are irrefutable. For that reason, I think all of us will support the bill, which is a step in the right direction.

I make only two points to the minister, without the charges of hypocrisy and all the rest of it. He should take a look at two issues when he is talking to his colleagues. One is the issue, on which I disagree with one or two of my colleagues, of making beer and wine more readily available through the corner stores. I am not sure it makes much sense to move to much tougher penalties, which I support, while at the same time increasing the availability of alcohol

in a manner that will involve younger people or people who probably already drink to excess.

Second, and perhaps even more important, is for the minister to talk to his colleagues about the lifestyle advertising that still floods this province in terms of drinking and how great it is to join the boys for a brew.

I think both those issues have the capacity to take away from what we are trying to accomplish in the bill before us. I would ask the minister to think seriously about the lifestyle advertising that goes on in this province as part of the problem we are trying to correct when we come up with stiffer penalties.

Finally, I would like to go on record, as a result of some comments that were made originally by the member for Wentworth. I supported increasing the drinking age to 19. I did it largely on the basis of trying to get it out of the high schools, but I do not think the next step should be an increase in the drinking age. It would be a mistake to bring it up to 21. One is then disfranchising a group of people between the ages of 19 and 21 who should not be treated in that respect.

Hon. Mr. Fulton: I appreciate very much the input and contribution by about 11 members of the assembly on this very important issue. I think the fact there have been 11 speakers indicates the widespread and multiparty approach to a very serious social problem that North America, and specifically Ontario, has been facing.

I appreciate the very tempered remarks by the previous speaker, the member for Hamilton East (Mr. Mackenzie), in contrast to my friend the member for Cochrane South (Mr. Pope). I should remind him his party is the one that introduced licences to every fish and chip store and hamburger joint in Ontario.

Some of the statistics that were brought forward have been most informative. I recall when the member for Welland-Thorold (Mr. Swart) spoke he forgot to mention that in one South American country, I believe Paraguay, the penalty for a first offence for impaired driving is fatal. One is shot. I am sure that is not the kind of penalty he hopes we would introduce in this province. I would like to further discuss with him the drinking and driving offences and fatalities during the prohibition years, some 30 or 40 years ago.

The member for Wentworth introduced some very indisputable and useful statistical evidence with which I do not think anyone could disagree. He said what needed to be said in terms of statistics which demand that this kind of legislation be brought forward.

The member for Oshawa (Mr. Breaugh) brought the matter home most effectively last evening when he talked about the need for treatment and addressing the matter of alcohol abuse. We need to be addressing the matter of prevention before the fact and not, as he stated, drink, drive and conviction.

In answer to a previous question several days ago, my colleague the Solicitor General (Mr. Keyes) indicated a number of things that can be done by the dispensing bodies related to the issue. I commend the member for Oshawa for his remarks, as I will several others, for offering certain solutions or at least directions that I think this ministry and others can and should take in attempting to resolve this phenomenon that has spread across not just Ontario but indeed North America and many parts of Europe.

It is interesting to look at the penalties across the world. No matter what penalty seems to be imposed, we end up with a continued problem. It is interesting in the matter of licensing, which has been introduced in this debate, that Germany, which has the most stringent licensing requirements, has a very high rate of accidents. It seems to flow through some of the other matters that have been raised.

The member for Essex North (Mr. Hayes), my critic from the third party, has indicated the support of his party. He raised the question of training motorcycle drivers, which is not specifically before us, but I wish to advise him that preliminary meetings have been held with representatives of the motorcycle industry. It is a matter this ministry and this minister will continue to pursue.

I commend the first speaker in the debate yesterday, the member for Mississauga East (Mr. Gregory), who brought forward some very pertinent and important components and made some very important comments to this argument. He also indicated to us all that we have an obligation, given the time of the year, in which deterrence is more critical than at any other time, given the statistics, to bring this matter into legislation.

Like him, I commend my predecessor, the former Minister of Transportation and Communications, the member for Dufferin-Simcoe (Mr. McCague), who last June tabled the original bill before this House.

That is all I have to say at the moment.

Motion agreed to.

Bill ordered for committee of the whole House.

5:10 p.m.

House in committee of the whole.

HIGHWAY TRAFFIC AMENDMENT ACT

Resuming the adjourned debate on the motion for second reading of Bill 17, An Act to amend the Highway Traffic Act.

On section 1:

The Deputy Chairman: Hon. Mr. Fulton moves that subsections 7(3c), (3d) and (3e) of the act, as set out in subsection 1(1) of the bill be struck out and the following substituted therefor:

“(3c) Where a permit holder is in default of payment of a fine imposed for a parking infraction, an order may be made under subsection 70(2) of the Provincial Offences Act directing that,

“(a) validation of that person’s permit; and
“(b) issuance of a new permit to that person, “may be refused until the fine is paid.

“(3d) Where a person who is not a permit holder is in default of a payment of a fine imposed for a parking infraction, an order may be made under subsection 70(2) of the Provincial Offences Act directing that the issuance of a permit may be refused to that person until the fine is paid.

“(3e) An order permitted by subsection (3c) does not apply to preclude the holder of more than one permit from receiving validation of a permit, the plate portion of which was not associated with the vehicle involved with the infraction at the time of the infraction.”

Motion agreed to.

The Deputy Chairman: Hon. Mr. Fulton moves that subsection 7(11) of the act, as set out in subsection 1(2) of the bill, be amended by striking out “specified in the agreement” in the fourth and fifth lines and inserting in lieu thereof “approved by the minister from time to time.”

Motion agreed to.

Section 1, as amended, agreed to.

On section 2:

The Deputy Chairman: Hon. Mr. Fulton moves that subsection 18(2a) of the act, as set out in subsection 2(2) of the bill, be amended by striking out “specified in the agreement” in the fourth and fifth lines and inserting in lieu thereof “approved by the minister from time to time.”

Motion agreed to.

Section 2, as amended, agreed to.

On section 3:

The Deputy Chairman: Hon. Mr. Fulton moves that subsection 26(1) of the act, as set out

in subsection 3(1) of the bill, be struck out and the following substituted therefor:

“1. The driver’s licence of a person who is convicted of an offence,

“(a) under section 203, 204 or 219 of the Criminal Code (Canada) committed by means of a motor vehicle or a streetcar within the meaning of this act or a motorized snow vehicle within the meaning of the Motorized Snow Vehicles Act;

“(b) under section 233, 236, 237 or 239 of the Criminal Code (Canada) committed while driving or having the care, charge or control of a motor vehicle within the meaning of this act or a motorized snow vehicle within the meaning of the Motorized Snow Vehicles Act;

“(c) under subsection 238(5) of the Criminal Code (Canada) committed in relation to the driving or having the care, charge or control of a motor vehicle within the meaning of this act or a motorized snow vehicle within the meaning of the Motorized Snow Vehicles Act; or

“(d) referred to in a predecessor to this subsection,

“is thereupon suspended for a period of,

“(e) upon the first conviction, one year;

“(f) upon the first subsequent conviction, two years; and

“(g) upon an additional subsequent conviction, three years.”

Hon. Mr. Fulton further moves that subsection 3(3) be struck out and the following substituted therefor:

“(3) The periods of suspension provided for in subsection 26(1) of the said act before its re-enactment by this act continue to apply with respect to convictions for offences committed before section 3 of this act comes into force.

“(4) No person whose licence is suspended or was suspended under subsection 26(1) of the said act or a predecessor thereof has a cause of action against the registrar of motor vehicles or Her Majesty the Queen in right of Ontario for any misapplication of or misadvice about the suspension period under the said subsection 26(1) or a predecessor thereof.”

Motion agreed to.

Section 3, as amended, agreed to.

On section 4:

The Deputy Chairman: Hon. Mr. Fulton moves that section 4 of the bill be struck out and the following substituted therefor:

“4. Subsection 27(1) of the said act is repealed and the following substituted therefor:

“(1) The driver’s licence of a person who is convicted of an offence under subsection 242(4)

of the Criminal Code (Canada) is thereupon suspended for a period of,

“(a) upon the first conviction, one year; and

“(b) upon a subsequent conviction, two years,

“in addition to any other period for which the licence is suspended and consecutively thereto.

“(1a) In determining whether a conviction is a subsequent conviction for the purpose of subsection 1, the only question to be considered is the sequence of convictions, and no consideration shall be given to the sequence of commission of offences or whether any offence occurred before or after any conviction.

“(1b) Clause 1(b) does not apply when the subsequent conviction is more than five years after the previous conviction.

“4a. The said act is amended by adding thereto the following section:

“27a(1) Where the licence of a person who is subject to an order made under section 242 of the Criminal Code (Canada), if the order is the result of an offence committed while operating a motor vehicle within the meaning of this act or a motorized snow vehicle within the meaning of the Motorized Snow Vehicles Act, is suspended under subsection 26(1) or under subsection 27(1), the licence shall remain suspended during the period of prohibition set out in the order, notwithstanding the expiration of any other period of suspension.

“(2) For the purpose of subsection (1), an order made under section 242 of the Criminal Code (Canada) includes an order made under subsection 238(1) of the Criminal Code (Canada) before the 26th day of April 1976.

5:20 p.m.

“4b. The said act is further amended by adding thereto the following section:

“27b(1) Where an order is made under section 242 of the Criminal Code (Canada) or under subsection 26(3) of this act and the court or judge, when sentencing the offender or making the conviction, orders the imprisonment of the offender, and where the period of prohibition or suspension, as the case may be, shall start to run on the termination of the imprisonment, the suspension imposed by subsection 26(1) of this act is thereupon increased by the period of imprisonment.

“2. Where the period of imprisonment referred to in subsection 1 is less than that ordered by the court or judge, the length of the increased suspension imposed by subsection 1 shall upon the application of the offender be reduced by a period equal to that by which the period of imprisonment was reduced.”

Mr. Gregory: I have no objection to the particular amendment, but I would have thought the minister might have sent the complete amendment to the critics. I do not know whether my colleague in the New Democratic Party got it or not, but I have amendments and there were probably six or seven paragraphs after the end of the amendment I received. Again, having listened to it very carefully and not understanding it at all, I have no objections.

Hon. Mr. Fulton: My apologies. It was my clear understanding that the critics were sent all of the information.

Motion agreed to.

Section 4, as amended, agreed to.

Sections 5 to 11, inclusive, agreed to.

On section 12:

The Deputy Chairman: Hon. Mr. Fulton moves that the bill be amended by adding thereto the following section:

"12a. Subsection 191(1) of the said act, as amended by the Statutes of Ontario, 1983, chapter 63, section 47, is further amended by striking out 'section 35' in the second line and inserting in lieu thereof 'sections 27 and 35.'"

Motion agreed to.

Sections 12 and 12a, as amended, agreed to.

On section 13:

The Deputy Chairman: Hon. Mr. Fulton moves that section 13 of the bill be amended by adding thereto the following subsection:

"(12) For the purpose of this section 'court' means a judge or provincial judge."

Motion agreed to.

Section 13, as amended, agreed to.

On section 14:

The Deputy Chairman: Hon. Mr. Fulton moves that section 194a(1) of the act as set out in section 14 of the bill be amended by striking out "section 3 or 27" in the seventh and eighth lines and inserting in lieu thereof "part I."

Motion agreed to.

Section 14, as amended, agreed to.

On section 15:

The Deputy Chairman: Hon. Mr. Fulton moves that section 15 of the bill be struck out and the following substituted therefor:

"15(1) This act, except sections 8 and 14, comes into force on the day it receives royal assent.

"(2) Section 8 comes into force on June 2, 1986.

"(3) Section 14 comes into force on a day to be named by proclamation of the Lieutenant Governor."

Motion agreed to.

Section 15, as amended, agreed to.

Section 16 agreed to.

Bill, as amended, ordered to be reported.

On motion by Hon. Mr. Nixon, the committee of the whole House reported one bill with certain amendments.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in his chambers.

Assistant Clerk: The following are the titles of the bills to which His Honour has assented:

Bill 45, An Act to amend the Corporations Tax Act;

Bill 46, An Act to amend the Income Tax Act;

Bill Pr8, An Act to revive the Sault Ste. Marie Pied Piper Nursery School;

Bill Pr9, An Act respecting the City of Toronto;

Bill Pr34, An Act respecting the City of Hamilton.

PLANNING AMENDMENT ACT

Hon. Mr. Grandmaître moved second reading of Bill 80, An Act to amend the Planning Act, 1983.

Hon. Mr. Grandmaître: I repeat this government's concern that municipalities not be caught in what is, in effect, a relatively minor issue involving the transition from the former Planning Act to the new one. It is essential that southern Ontario municipalities in joint planning areas that did not complete the revisions of their official plans by the August 1985 deadline have the authority to amend their joint plans continued by minister's order. When those municipalities complete their own individual plans, the joint plans will no longer be needed.

My ministry currently has more than 30 official plan amendments from municipalities that cannot be processed in the absence of this legislative change. I therefore stress once more the urgency of this amendment.

Mr. Timbrell: With respect to the proposed second reading of Bill 80, I think the minister knows from our critic, the member for Sarnia (Mr. Brandt) that we support what he is doing and understand the urgency, inasmuch as I take it

that if it does not pass by the end of the session, the proverbial all hell is going to break loose in certain parts of the province where they still have joint official plans that have not been cleaned up by the 1985 deadline.

5:30 p.m.

As the former Minister of Municipal Affairs and Housing, I hope the minister personally, and through his very capable staff, is bending every effort towards making sure—and I speak for my constituent under the gallery over there—we do clean up these joint plans with all due haste.

The changes that were proposed a number of years ago and that my constituent worked for eight or 10 years to create and put forward were and are very sound. I regret that we need to do this, that for whatever reason these joint plans were not cleaned up before now.

Of course, we will support the bill.

Mr. Breagh: We will also support the bill. We recognize that last August the minister was just beginning his career. He seems to be continuing the great tradition of incompetence in this ministry. We are happy to bail him out one more time and support the bill.

Hon. Mr. Grandmaître: I would like to thank the honourable members from both opposition parties for their understanding of this very important bill. I hope we will satisfy the 86 municipalities involved in joint planning.

Motion agreed to.

Bill ordered for third reading.

REGIONAL MUNICIPALITIES AMENDMENT ACT

Hon. Mr. Grandmaître moved second reading of Bill 22, An Act to amend certain Acts respecting Regional Municipalities.

Mr. Timbrell: I take particular pleasure in supporting this bill on behalf of my colleague the member for Sarnia (Mr. Brandt) inasmuch as I was the one who moved it for first reading back in the spring of this year. It consists of changes that have been discussed for some time.

Mr. Breagh: See what I mean about continued incompetence? It is hard to tell the difference.

Mr. Timbrell: The member need not tell me his problems. He entered into a marriage; he can live with it.

Hon. Mr. Sweeney: That sounds like the voice of a rejected suitor.

Mr. Timbrell: Not me.

It was proposed in 1984 to remove a number of discrepancies that exist in the current law with respect to local and regional councils, particularly in the areas of the ownership and sale of land and various licensing activities, and to allow for the expansion of certain regional councils, notably that of the region of Durham, although that is not the only one.

In my brief time, even briefer than the minister as it turns out, as the minister responsible for municipal affairs, I stated very clearly my belief—and it is fair to say I speak for the official opposition in this respect—in greater local autonomy. The amendments that have been proposed by the municipalities are reasonable and do grant more local autonomy, as they deserve.

The only concern I have, which has been drawn to my attention by the member for Sarnia, our critic for Municipal Affairs, is whether on checking with the local officials the minister confirms that they do support what has been put forward. I am positive the answer will be yes, but I would like the minister to put it on the record, if for nothing else, to satisfy my colleague from Sarnia that I did what he asked me to do before he left to do his Christmas shopping.

Mr. Breagh: We usually raise the same concern around this kind of regional bill. Each time it comes in it becomes very difficult to debate the bill because it is an amalgamation of requests from regions throughout Ontario. I have been able to check with all the regional governments and, with one exception, these are requests from the regions and can be dealt with in that way.

The one exception is the amendment to the Regional Municipality of Durham Act, where there is some dissent about whether there was a formal request on the part of the region to add additional seats to the regional council. Let me quickly say it was not a formal request by the region of Durham. Although I normally am very happy to accede to this type of bill, all the minister has to do is tell me now he is prepared to send back or withdraw or not proclaim that section of the act until such time as he does have a formal request from the region of Durham.

I know the minister is aware of the problem. I know he has been sent letters from the city of Oshawa, the town of Ajax and the town of Whitby and that there is a dispute simmering rather nicely there. It surely would be folly for the minister to proceed to do something that has not been dealt with by that regional council. It is the focal point of some considerable argument.

The minister and I and others have had sufficient conversations to point out that the logical thing to do is not to proclaim that section or withdraw it and send it back as a reference to the regional municipality of Durham and let it have the opportunity to resolve the problem there first.

If it cannot be resolved there, then there is an opportunity and possibly a need for the minister to intervene. However, with that one caveat, we are happy to support the rest of the bill. I anxiously await the response of the minister to assure us he will not run roughshod over the region of Durham, that he will withhold, not proclaim, that section of the act which deals with this problem and refer it back to let the region have a chance to resolve the argument where it should be resolved.

Mr. Ashe: Again, I am going to address my remarks to the same section as the member for Oshawa (Mr. Breaugh) did, although I am going to speak in direct opposition to his remarks. I think we would agree that there is no doubt there are many inequities in representation in many parts of the province. Some of the regions have been enlightened enough to recognize those inequities from time to time and to deal with them where they should, which is at the regional council level.

Unfortunately, some members and jurisdictions within some regional councils, for some very selfish reasons, do not want to deal with the realities of growth areas. I am very embarrassed to say the region of Durham falls into that category. I have the privilege and pleasure to represent a significant portion of the growing part of Durham region, which is the whole western end of Durham region. Two municipalities, in particular the town of Ajax, which has shown great growth over the past number of years, have been attempting by annual motion for many years to get the regional council to address and redress the inequities of misrepresentation, if you will, on that august body.

It has failed over the years, led in particular by the only city in the region, Oshawa, which does not want to recognize the fact that its 11 members, already a significant percentage that has been there since formation of the region, are downgraded in percentage. They do not want to address themselves to that reality. It will continue to happen over many years as we have growth to a greater extent in certain parts of the region than in others.

5:40 p.m.

Although there is no doubt that the regional council has not brought forth this particular issue, I think it is safe to say that in the past, traditionally now and we would hope in the future, the Minister of Municipal Affairs is the arbitrator for the kind of impasse that unfortunately does happen from time to time.

I know the minister will have amendments relating to the words dealing with the representation of additional regional councillors, not only in Durham, as in this case, but also in the other regions, because since the time this bill was introduced there has been an intervening election, which has caused a time problem. The minister indicated previously in the Legislature that he will be amending this to allow the municipalities to fill the vacancies between now and the next municipal election in a manner such as is now envisaged within the Municipal Act.

While I endorse that initiative, I do not support in any way the setting aside of section 1 of the bill, which would delay the implementation of bringing some fairness back to the representation around the regional table, at least in Durham.

I recognize—the minister and I have had informal discussions on this as late as today—that representation within second-tier councils cannot continue to grow over the years. They are finding this in the Parliament of Canada, and we would find it here if we kept a representation by population number and did not recognize that it has to expand over the years. I appreciate that will happen in all the regional councils that are sustaining substantial growth. We only have to look at the area in and around Metropolitan Toronto to identify four regions that fall into that category.

I throw out a challenge to the minister and the ministry and say that perhaps an amendment should be introduced to all the acts making a review mandatory at an appropriate time—maybe every five years in substantial growth areas and every 10 years in slower growth areas—to look at the realities of representation while at the same time recognizing that smaller municipalities perhaps should have representation beyond what their numbers might warrant.

I do not quarrel with that, but when one is talking about urban municipalities, there has to be some equity within the system. The two additional regional councillors, one to Ajax and one to Whitby, as proposed within this bill would right some of those wrongs, at least for the time being. I say "for the time being" because there is no doubt that substantial inequities will be there again five years from now.

I have one last point. I appreciate and understand that the minister will be putting the bill into committee for amendments he has. I want to give notice that I have a further amendment, which I hope he will consider, keeping in mind that in my view the government had every opportunity to pass this bill in the short session we had in July. In effect, it would have been in place in time for the recently held municipal elections.

If the municipal councils choose to fill any new spot by new elections—and I appreciate and understand that they have the option of appointments or elections—we should allow, in each case in which representation is being added, the option for the municipality to go the election route if it so chooses. Since the problem became a problem because of the inaction of the government in July, the government should pick up the costs of any elections for this one time only. I will be proposing that in an amendment in committee.

Mr. Sterling: I will comment briefly on this bill. I note the Ottawa-Carleton regional board of health is officially done away with. As a former member of government and as a member of the Legislative Assembly, I would like to put on public record my thanks to the many private citizens who served on that board over its long history.

Although this part of government is being taken over by totally elected representatives from the region, the past board of health had nothing to be ashamed of and was a very nonpartisan type of board. From the experience I have gleaned from various members, such as Dewar Burnett, Russell Dewe and a number of others, the service they gave as citizens to this institution was exemplary.

On another matter, I hope the Minister of Municipal Affairs (Mr. Grandmaître) appreciates our goodwill in this season and will consider the same with regard to my private bill, which will be before the standing committee on regulations and private bills tomorrow.

Mr. Cureatz: Unaccustomed as I am to speaking briefly, I will do so for about a minute and a half to remind the minister, as a new member of these chambers and probably unfamiliar with the whole aspect of Ontario, that the region of Durham is represented by four members in this chamber: the member for Oshawa, the member for Durham West (Mr. Ashe), myself in Durham East and the member for Durham-York (Mr. Stevenson), who is not present.

I want to speak to what the member for Oshawa said. I too have some concerns about the city of Oshawa. I represent a good portion of the north end of that city, and I too have been approached by councillors from the city and by the mayor, Allan Pilkey, in connection with what is taking place under this legislation.

By the same token, however, I am a little hesitant in suggesting the possibility that the minister withdraw the whole section with regard to the addition of councillors in my colleague's area of Durham West because, as has been well explained to me not only by my colleague the member for Durham West but also by councillors for those areas, there has been a population injustice, and I think it would be unfair to withdraw it suddenly. That is not going to resolve the problem we have there. Ottawa has certainly put forward a good case for me.

I hope that after the passage of this bill, the minister will have a hearing with Oshawa at which they will be prepared to give a proper brief and presentation, at least to put their case forward to the minister so he can reconsider the possibility, if the addition of the required councillors is warranted, to have the appropriate balance within the whole region of Durham in recognition of the population structure.

Hon. Mr. Grandmaître: I know regional representation is a problem not only in Durham but also right across this province. Regional councils do have the power to amend their own acts, but it seems they are very reluctant to do so. They want to leave it up to the minister, and they often blame the minister for the choice he makes.

I would like to have regional municipalities become much more responsible than they have been in the past and, by resolution and discussion within the individual municipalities, to resolve their differences as far as representation is concerned.

I can guarantee to the member for Oshawa that before proclamation, I will be in touch with the concerned municipalities to make sure they concur with my decision.

I agree with the member for Carleton-Grenville (Mr. Sterling) that the Ottawa-Carleton regional board of health did a very fine job. However, like other regional councils in the past, they think they will be much better represented by forming a subcommittee of council.

I hope I will be able to satisfy everyone's needs, but I would like regional municipalities to be much more responsible for their representation and not to leave it up to the minister.

Motion agreed to.

Bill ordered for committee of the whole House.

5:50 p.m.

House in committee of the whole.

REGIONAL MUNICIPALITIES AMENDMENT ACT

Consideration of Bill 22, An Act to amend certain Acts respecting Regional Municipalities.

The Deputy Chairman: Are there any questions or comments to any section of this bill?

Mr. Breaugh: On a point of order, Mr. Chairman: I do not mean to be obnoxious, but I have been served with notice of an amendment by the minister. Is it his intention to move it, or is this just a fake?

Hon. Mr. Grandmaître: I move that section 11 of this bill be struck out and the following—

Interjection.

The Deputy Chairman: Order.

On section 1:

Mr. Ashe: I have a comment in the sense that—

Hon. Mr. Nixon: We have had second reading.

Mr. Ashe: I realize that, but I guess I can say it is more of a question to the minister and I hope he can respond to it before we get past section 1. That is why I bring it up now.

How is he going to implement the change in how the new regional councillors in the interim period, between now and the municipal elections, are going to come into being? I do not think the bill seems to read that way now. I do not know. Has he found out that he has the authority through some other means to override what this bill is saying between now and the elections in 1988?

Hon. Mr. Grandmaître: The bill will assure that in the term 1985-88, the elections or appointments will be made to council for the balance of the term.

Mr. Breaugh: I simply want the minister to elaborate on that a bit. There does seem to be some considerable amount of confusion as to precisely how and when this might happen. I think it is only fair that he give us a little clearer indication than he has so far of his exact intentions.

Hon. Mr. Grandmaître: It is very simple. The municipal acts give councils permission to appoint or elect members in the case of death, replacement, sickness or whatever, but at the

regional level no such permission is given. This is what the amendment is doing: permitting appointments or elections to council for the term 1985-88.

Mr. Ashe: That is the amendment which the minister has to section 11. I guess where the confusion came in was that I thought the minister had indicated before that he did not want to go into committee. I was the one who put the bill into committee. That is the only place he can change it, and I guess that is where the confusion comes in.

Does the minister have an amendment to section 11, as I do, and which I have now passed over to him?

Hon. Mr. Grandmaître: I do.

Mr. Breaugh: On section 1, the changes to the region of Durham, can we have a little clearer indication from the minister as to precisely how he intends to proceed from here? I want to make the argument that notwithstanding what might have been said here this afternoon, I believe the regional council of Durham deserves, whether it wants it or not, first crack at how this redistribution of seats ought to be allocated.

It is fine for someone to say there has been a population increase in Ajax and Whitby. There is no denying that at all. That population increase, as well as a building boom, continues as we speak in the city of Oshawa and moving on into the town of Newcastle. There is no argument that the hard services are in the ground. The houses are being constructed now in that developing area, although those plans for development had been approved some time ago.

I want to know how the minister intends to proceed from this point on. If it is fair, by some means, that the town of Ajax and the town of Whitby get additional representation on the regional council on the basis that they have more housing, next year the city of Oshawa will be here saying, "Now we have more housing," as will the town of Newcastle. If that is the criterion, loosely stated, that the minister is going by, he is creating a rather large regional council, which may be no fairer in representation terms than he now has.

I want a little clearer idea in my own mind of precisely how this will happen. If the minister is saying he will not proclaim that section of the act until such time as it has been considered by the region of Durham—not by the city of Oshawa, the town of Whitby or the town of Ajax, but by the regional council of Durham—that is fine by me; let them have first crack at it. I have not heard

him say that this afternoon, and I very much want to hear those words.

Hon. Mr. Grandmaître: I did tell the member for Oshawa (Mr. Breaugh) that the bill would not be proclaimed before writing to each regional council to seek concurrence with this bill.

Mr. Breaugh: Just so it is clear—I want this on the record, obviously—my support for the bill and for the section that has to do with Durham and other places where there are changes of this kind is dependent entirely upon the minister not proclaiming those sections of the act until such time as the regional councils have formally responded to any suggestions he might have made.

That clears the way for the local regional councils at least to make the attempt to decide whether changes in representation are appropriate, what the formula might be, what the population bases are and all of that. If that is what he is saying, that is fine by me.

Mr. Ashe: I hope the minister has not been gullible enough to be led astray by the claptrap that just came along there. The minister has not had the opportunity, I am afraid, to look into the

background of this file. The commitment he has made means the status quo, which I will not support. That is exactly the situation that was put to him by the member for Oshawa, and he responded yes.

The regional council has had opportunities each and every year over the past many years, and the files in the ministry will substantiate that, to deal with this issue. They have chosen not to do so. I do not know what makes the minister think they are going to deal with it now, unless he tells them it is going into effect, period.

I do agree with my colleague the member for Oshawa when he suggests, as I mentioned in my earlier remarks, that this is an ongoing problem that will continue from year to year. All this does is redress some of the inequities that are there now. There will be new inequities a few years down the line; there is no doubt about that. I hope all regional councils will deal with that challenge on a regular prescribed basis, including the council of Durham region.

On motion by Hon. Mr. Nixon, the committee of the whole House reported progress.

The House adjourned at 6 p.m.

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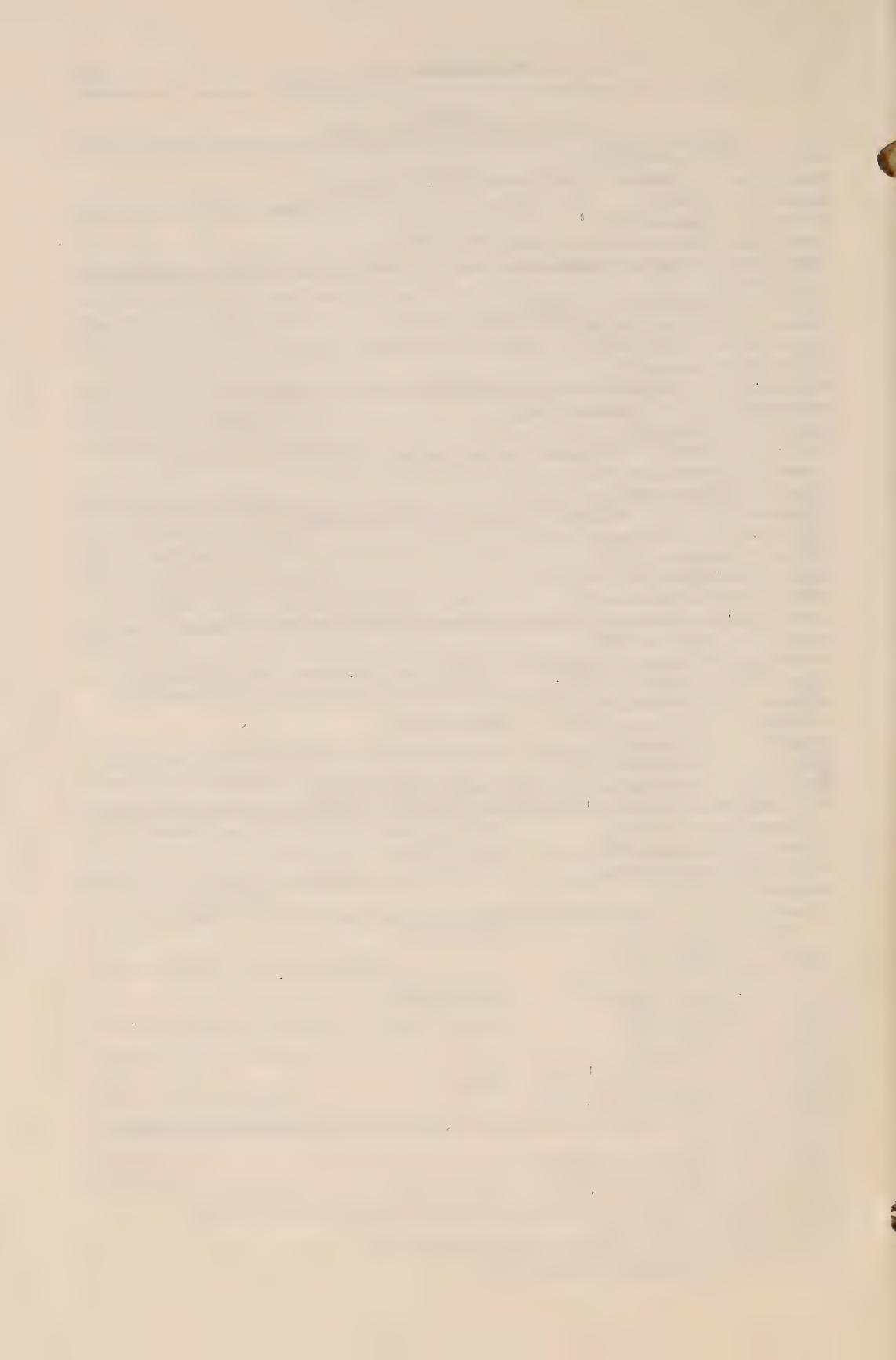
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No. 75

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Legislative Assembly of Ontario

First Session, 33rd Parliament

Thursday, December 19, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, December 19, 1985

The House met at 2 p.m.

Prayers.

ALLEGATIONS AGAINST MINISTER

Mr. McClellan: On a point of order, Mr. Speaker: My point of order comes under standing order 26(a), which deals with ministerial statements.

It was broadcast on the Canadian Broadcasting Corp. radio news today that a member of the executive council, the member for Parkdale (Mr. Ruprecht), has been and continues to be under investigation by the police and by the Ministry of the Attorney General.

The broadcast alleged that an investigation by the Metropolitan Toronto Police fraud squad has led to the conclusions, which are set out in a police report, that the minister's actions at a meeting "were unlawful" and "constituted intimidation," which is a criminal offence. To date, no charges have been laid.

I am advised the government does not intend to make a statement to the House on this matter, despite the broadcast of allegations of a criminal offence affecting the integrity of the government and the standards demanded of members of the executive council.

My point of order is that you use your good offices before question period begins in order that the government may make a statement on this most serious matter.

Hon. Mr. Scott: If I may respond to that point as a point of order, as honourable members know, because he has told the House, the member for Parkdale met with certain residents of his riding in September 1985. Present at that meeting were investigators from the Ministry of Consumer and Commercial Relations.

I should tell the House, as it probably knows, that the Ministry of Consumer and Commercial Relations investigates breaches of the civil law of the province, such as breaches of the Real Estate and Business Brokers Act, the Residential Tenancies Act or orders made by the Residential Tenancy Commission.

As a result of that meeting, the investigators from the Ministry of Consumer and Commercial Relations advised the crown law office of what had transpired. As a result of that advice and a

preliminary inquiry, a senior crown law officer referred the matter to the crown attorney of the county of York, who in the usual way requested that the Metropolitan Toronto Police make an investigation. The member for Parkdale was not the focus of that investigation, and this is a routine way of handling any such allegations.

The investigation as to the facts is, and was in this case, routinely made by the Metropolitan Toronto Police, who interviewed a number of witnesses, including the member for Parkdale. They prepared a report on the facts of the case and in the traditional fashion laid it before the crown attorney of the county of York to obtain his determination of whether, on the basis of the Criminal Code or any other criminal law, an offence had been committed by any persons. The crown attorney of the county of York concluded, after a review of the facts found by the police and a review of the law, there were no reasonable and probable grounds at that time to charge any of the witnesses or any other person with a criminal offence.

He transmitted that report to the senior crown law officer of my ministry, who reviewed the police finding and formed his own opinion, namely, that there was no reasonable or probable ground at this time to charge anybody with a criminal offence. Yesterday my office advised the Ministry of Consumer and Commercial Relations, in response to its initial inquiry, that the police investigation had been received and the opinion of the crown law officers and the crown attorney of the county of York was that there were no reasonable or probable grounds to charge anybody with an offence.

The Ministry of Consumer and Commercial Relations is continuing an investigation into a related matter involving other persons. We have indicated to them that, if in the course of that investigation there is the slightest suspicion that a criminal offence may have been committed, they are to contact the crown law officers of my ministry immediately. They have indicated they will do so.

I have seen a copy of the CBL radio broadcast by one Mr. McAuliffe and I have read it. It contains at least two important factual errors. The first is the statement, which I have in a

transcript of the report, which is as follows: "Police say what happened at that meeting was unlawful, that Mr. Ruprecht's treatment of the real estate agent constituted intimidation."

The police, as I have emphasized to the assembly, investigate the facts. The question of whether there is unlawful conduct or intimidation within the definition of that term under the Criminal Code is determined by the crown attorney or the crown law officer of my ministry. The statement made in the radio broadcast was not contained, in a direct or indirect sense, in the police report.

The second statement in Mr. McAuliffe's broadcast that is false is his assertion that "this case was different" and his following statement that it was treated in some fashion differently from the way an allegation of conduct against an ordinary citizen or another person would be treated. It was not; it was treated in precisely the same way.

When an allegation was made, it was sent to the crown attorney of the county and a police investigation was completed. Upon the completion of the investigation, the crown attorney was asked to determine whether there was a prospect of laying charges. The determination that there were no reasonable grounds to believe an offence had been committed was reviewed by a crown law officer in the ministry. That is routine and the statement in that particular is false.

You may be assured, Mr. Speaker, that if any other information comes to my attention, I will be delighted to bring it to the attention of the House.

Mr. McClellan: Does the Attorney General have a copy of his statement?

Mr. Rae: The minister was reading extensively from notes. He must have a statement.

Mr. Speaker: Order. The member for Bellwoods brought this matter up under standing order 26(a). He has made his views known, and I have given the Attorney General time to respond. As I believe this matter is outside my jurisdiction, I cannot see how it is a point of order under 26(a).

2:10 p.m.

STATEMENTS BY THE MINISTRY

EXTRA BILLING

Hon. Mr. Elston: The Liberal Party of Ontario has upheld the position that extra billing by physicians represents a serious threat to the publicly financed, publicly administered health care system of this province.

During the last Ontario election, we promised that, should our party assume the responsibility of government, we would move with priority to eliminate the practice, a practice that for many people represents a genuine barrier to receiving necessary health care services.

The principle of accessibility to needed health care without any regard for an individual's financial circumstances or ability to pay is in jeopardy in this province. I believe the principle of accessibility must be preserved and protected, and our government is determined to see that the people of Ontario have that protection.

Because health care is essential and necessary for the wellbeing of people, we have created in this province a system whereby a wide range of health care programs is available to people on a publicly insured basis.

We claim that our health care system is a universal one and that the same range of services is available to everyone. We also claim that the system is accessible and that everyone has equal opportunity to receive the services being provided. In particular, we claim that we have a system where no economic, social, ethnic or age group will be deterred from receiving needed health care or from visiting a physician of choice.

I therefore find it intolerable that today, in some major urban centres of this province, women still have difficulty finding an obstetrician who does not extra bill. I believe it is inexcusable that today, almost 20 years after insured health services became law in this province, patients scheduled for surgery must discuss with their anaesthetist the fee for services to be rendered.

I am also aware that among physicians, extra billing can and does distort normal patient-referral patterns. Doctors in general practice do not always know which specialists extra bill and patients frequently do not find out until they arrive at the specialist's office. This has led to confusion, misunderstanding and, for many patients, emotional upset.

These examples are all blatant contradictions of the principles underlying our health care system. They represent an open challenge to two of the principles on which we claim our system is built, namely, universality and accessibility.

These contradictions and anomalies within our health care system are not symbolic or theoretical, as some advocates of extra billing will claim. They directly affect access to health care services and the right of people to receive those services free from any restraints.

It is for these reasons that our government has chosen to act on extra billing. Our government has spent considerable time and effort reviewing extra billing, how it is practised in Ontario and its impact on our health care system.

Since assuming the Health portfolio, I have personally met with a large number of health care consumers and provider groups and sought their advice on this matter. Before drafting the legislation, I requested that during October and November, public information forums on extra billing be held throughout the province.

The meetings were organized to give people an opportunity to find out the facts about extra billing in Ontario. They also provided an opportunity for public interest groups and concerned citizens to express their views and opinions on how we might proceed with legislation to ban the practice.

We heard from a variety of people at the sessions. Physicians' associations, nurses, hospitals, senior citizens' groups, health care organizations and private citizens all felt free to speak their minds on this important health care issue, and so did members of the opposition across the way.

A summary report on each of the sessions was prepared and sent to me so that I might have a record of what was said and the concerns and issues raised at the meetings. The forums confirmed what I personally have found in my travels throughout the province, that our government's intention to ban extra billing has the solid support of the majority of the people of Ontario.

Some participants pointed out that here in Ontario there is a concentration of extra billing among certain specialties—for example, surgical specialties, anaesthesia and psychiatry. Extra billing is also concentrated in certain geographic areas of this province. It was their view that this clustering phenomenon is the key to the real problem of extra billing. It compromises accessibility to the health care for clearly identified sectors of the population.

Participants also said we must have a single health care system in Ontario, a system that does not disadvantage low-income people or senior citizens on fixed incomes, or discourage anyone from visiting any physician.

Certain doctors have advanced the argument that they have an indisputable right to extra bill. Let me respond to that argument by quoting from the report of the Royal Commission on Health Services, written by Justice Emmett Hall, the man whom many would call the father of Canadian medicare:

"The emphasis on the freedom to practise should not obscure the fact that the physician is not only a professional person but also a citizen. He has moral and social obligations, as well as self-interest, to do well in his profession. The notion held by some that the physician has an absolute right to fix his fees as he sees fit is incorrect and unrelated to the mores of our times. When the state grants a monopoly to an exclusive group to render an indispensable service, it automatically becomes involved in whether those services are available and on what terms and conditions."

In drafting our proposed legislation, these issues and concerns have been considered and taken into account.

Let me now turn to the legislation I am introducing today in this House. The Health Care Accessibility Act is a bill to regulate the amounts that may be charged for providing health care services that are insured under the Ontario Health Insurance Act. These are the details of the legislation:

There is to be a complete ban on extra billing in Ontario for all insured physician services, all insured dentistry services performed in hospitals and all insured optometry services.

Physicians may continue to opt into or out of the Ontario health insurance plan. Those who opt out and bill their patients directly because they prefer this professional arrangement will not be permitted to charge more than the OHIP fee. Their patients, in turn, will be reimbursed by OHIP. Those who opt in will bill the plan directly, as is now the normal practice for most Ontario physicians.

I would point out that under this legislation, accessibility to physician services will be open and expanded to all people of this province. No patients will be deterred for financial reasons from visiting the doctor or specialist of their choice.

This bill also empowers the Minister of Health to enter into agreements with associations representing physicians, dentists and optometrists to provide methods of negotiating and determining the amounts that will be payable for services under the Ontario health insurance plan.

Further, any practitioner who charges fees higher than the OHIP rates will be guilty of an offence and will be liable upon conviction to a fine of not more than \$10,000. A judge handing down a guilty verdict may also order the practitioner to pay back to the insured person any money received in excess of the OHIP rate, or the

insured person may, on his own, sue for the money to be returned.

I said earlier in my remarks that our party had promised to end extra billing in Ontario. Today we are honouring that commitment to the people of Ontario.

2:20 p.m.

ROMAN CATHOLIC SECONDARY SCHOOLS

Hon. Mr. Scott: I would like to make a short statement to bring the members of the assembly up to date on the court proceedings arising from yesterday's unanimous Divisional Court decision, which permitted interim funding of our separate school system.

Yesterday morning, as I told the House yesterday, the Divisional Court unanimously reversed the order of the Honourable Mr. Justice Potts, thereby permitting the government to provide forthwith full public funding on an interim basis to grades 9, 10 and 11 of the separate school system.

Late yesterday afternoon, after statements, at approximately 4 p.m., the Metropolitan Toronto School Board filed a notice indicating it would be seeking leave to appeal the decision of the Divisional Court to the Ontario Court of Appeal. In the ordinary course, the leave to appeal motion would be heard in four to six weeks.

At the same time as that notice was served, counsel for the Toronto board sought and obtained ex parte an appointment before Mr. Justice Houlden of the Ontario Court of Appeal. Counsel for the Attorney General's ministry were telephoned and advised of the appointment, that it would take place within minutes, and attended at the courthouse.

After hearing submissions, Mr. Justice Houlden directed that the motion for leave to appeal from the unanimous decision of the Divisional Court be brought forward and heard at the earliest available date, being tomorrow at 10:30 a.m. At the same time, to preserve the status quo pending the argument of the leave to appeal motion, he ordered that no funds be disbursed by the government pending the outcome of the leave to appeal application tomorrow morning.

The government has complied with the order of Mr. Justice Houlden as it has complied with all other court orders in that matter, and we now await the decision of the Court of Appeal, which will follow tomorrow's hearing.

TAXI LICENSING

Hon. Mr. Grandmaître: I am pleased to inform the House that I will be bringing forward

an amendment to the Municipality of Metropolitan Toronto Act to provide that only taxis and limousines licensed by Metropolitan Toronto will be permitted to pick up fares within Metropolitan Toronto.

The amendment will remove the inequities in the current legislation for Metro Toronto taxi owners and drivers. At present, the legislation allows taxis and limousines with federal airport permits to pick up fares in Metro Toronto destined for the airport, even though they are not licensed by Metro Toronto.

The amendment will mean that these airport taxis and limousines will no longer will be permitted to pick up fares in Metro Toronto unless they obtain a Metro licence. Under the proposed amendment, airport taxis and limousines which have federal permits allowing them to pick up fares at Lester B. Pearson International Airport may continue to deliver those fares anywhere in Metro Toronto.

The proposed amendment has been developed after discussions with representatives of the Metro Toronto taxi industry, with representatives of the city of Mississauga and with officials from Pearson airport. This amendment is supported by the municipality of Metropolitan Toronto and has long been promised to such groups as the United Taxi Alliance of Toronto and the Independent Cab Owners' Co-op Inc. This government is pleased to be the one to fulfil that promise.

SCIENCE NORTH

Hon. Ms. Munro: It gives me great pleasure to rise today and introduce legislation that will make a significant contribution to the cultural and economic wellbeing of Ontario's northern communities. I have the honour to present to the House the Science North Act, 1985, which will make Science North on Lake Ramsey in Sudbury an agency of the crown.

This action is long overdue. Ontario's northern communities have been traditionally underserviced. This is particularly true in terms of vehicles for the north to increase broad awareness of the cultural, scientific and economic contribution made by northerners to our great province.

Science North goes a long way towards redressing these shortfalls. It focuses on the geological and biological technology which has made Sudbury and Ontario's northern communities what they are today. The displays and exhibits reflect the essence of the region, tributes

to the mining industry, explorers of the north and the flora and fauna indigenous to Sudbury.

A snowflake-shaped building sitting atop a cavern in a basin created by a meteorite is the embodiment of Science North and a reminder of Sudbury's origins.

Science Nord se distingue également par ses services dans les deux langues officielles du Canada. Cette caractéristique fait de Science Nord un élément vital du dynamisme culturel en faveur duquel cette province a déployé tant d'efforts.

L'importance de l'annonce justifie l'usage de mon français de débutante. La prochaine fois, nous débattrons en français.

By granting crown agency status to the centre, we are effectively and swiftly responding to the specific request of Science North. As further proof of our commitment to residents of Ontario's northern communities, we are providing \$813,000 to complete the capital development of the centre and \$1.5 million to finance operating costs for the balance of this fiscal year.

We expect tangible benefits to flow directly from the creation of a crown agency. It will forge an even closer partnership of the province, local government and the private sector. Out of that partnership will grow increased activities open to all and a renewed commitment to developing Science North as an important component of the northern tourism industry, with all that means in terms of jobs and economic activity.

The economic impact of Science North is undeniable. The centre has created 580 person-years of employment and injected \$15 million into the economy. With government support and the encouragement that crown agency status brings, Science North will surely realize its potential to assist in the revitalization of the local economy.

Science North is a community project in the truest sense of the word. Its existence is a testament to the avid support of the people of Sudbury in the private, municipal and corporate sectors. It is appropriate, therefore, that the government of Ontario formalize its membership in this partnership and reaffirm its commitment to Science North as well as to the people of Sudbury and northern Ontario.

Mr. Speaker: A point of order? I am sure. I would like to hear it.

Mr. Martel: On a point of order, Mr. Speaker: At this point, I should ask the minister to move the following bill, that leave be given to introduce a bill entitled An Act to acquire the Assets of Inco.

Mr. Speaker: Order.

ANNUAL REPORT,
ONTARIO LOTTERY CORP.

Hon. Mr. Eakins: I am pleased to table the 10th annual report of the Ontario Lottery Corp., for the year ending March 31, 1985.

DOMED STADIUM

Mr. Reville: On a point of privilege, Mr. Speaker: The Premier (Mr. Peterson) has repeatedly, extensively and oft-times sarcastically assured this House that every scrap of information pertinent to the domed stadium deal would be placed before the standing committee on public accounts.

This morning, Ray McNeil, secretary to the board of Stadium Corp. of Ontario Ltd., appeared before the public accounts committee and responded to question after question that he was not empowered to release information.

Mr. Speaker: Order. I am listening very carefully, but I cannot see where that is a point of privilege. It is very good information, and I am sure the committee dealing with the matter will handle it as best it can.

ORAL QUESTIONS

DOMED STADIUM

Mr. Grossman: I have a question for the Premier. Today, the chairman of Stadium Corp. of Ontario Ltd. refused, consistent with the Premier's own refusals, to release to the standing committee on public accounts a 10-page executive summary, the primary document upon which the stadium board based its final decision. Given that the province is the shareholder of the stadium corporation, will the Premier table the document in the House this afternoon?

2:30 p.m.

Hon. Mr. Peterson: In reference to the point of privilege of my friend in the corner over there, as well as to the honourable member's question, I am told, just so we go through the sequence, that the public accounts committee at an emergency meeting on Tuesday last decided to meet today to have the stadium corporation, or some representative thereof, brought before it. They were happy to do that.

Apparently Mr. Connell and Mr. Magwood were busy today, and I am sure the member can understand that, but they have agreed to come tomorrow morning and have adjusted their schedules. Tomorrow morning they will bring all the papers about the stadium corporation, the

executive summaries or whatever else the member wants. Surely that is reasonable.

The member needs to get some advice from his members and then he can ask another question. He is getting misled by his own members, who do not understand what they want. They are going on a massive fishing expedition and it will all be there. The member should believe me; he is dredging in the wrong pond on this one, but he can go ahead and ask another question.

Mr. Grossman: Let me begin by reading to the Premier his assurance, not Magwood's or Connell's, given to this House on December 16; that was three days ago. He said: "I invite the member to look at every single piece of paper the stadium corporation has looked at. That is open to scrutiny."

Given the Premier's undertaking to this House that every single piece of paper would be made available to us, can he explain why it is that Mr. McNeil said his instructions from Mr. Connell and Mr. Magwood were not to release the information? It was not a procedural wrangle; he said his instructions were not to release the information.

Hon. Mr. Peterson: My understanding is that the members on the committee, who are still giving the member advice, had no idea what they were fishing for and they are still trying to advise him what question to ask. They sent Mr. McNeil. I gather Mr. McNeil had a list of some of the potential information. I talked to Mr. Connell about half an hour ago.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Peterson: Do the members want to hear the answer? They do not want to hear the answer because they would be embarrassed about it.

I talked to Mr. Connell half an hour ago, and he said he had adjusted his schedule. Whenever he is summoned, he will be very happy to appear with Mr. Magwood in front of the committee tomorrow with whatever information it wants. I am told there is literally a ton and a half of material, rooms full of technical material, and they are going to bring it all. The members can share it and look at it. I can assure the member they will give it to him. Can he assure me he will read it all? Then he will understand what he is talking about.

Mr. Rae: The stadium corporation board did not have a ton and a half of material in front of it. It had certain key material that was denied to the committee this morning on the specific instruc-

tions, we understand, of Mr. Connell. Can the Premier explain why the president of the stadium corporation instructed the secretary, who appeared before the committee today, to deny access to documents that the public accounts committee had specifically asked for?

Hon. Mr. Peterson: I talked to Mr. Connell. He said he would be there tomorrow and would give the members whatever they want. That is what he said to me. I was not in the committee this morning. He is happy to do it. If the honourable member tells him what he wants, I am sure he will share it all with him; no problem.

Mr. Grossman: It was the Premier who gave the undertaking that all the documents would be open to scrutiny. Mr. Connell comes and refuses to give the documents. We are asking in this House where the documents are that the Premier promised. He is the Premier. We invited the members of the technical evaluation committee to meet with us this morning.

Mr. Epp: The Leader of the Opposition was not even there.

Mr. Grossman: Why does the member not listen for a second?

Mr. Epp: The Leader of the Opposition was not even there. He played hookey. Where was he?

Mr. Speaker: Order. You are wasting the time of the House. Final supplementary, please.

Mr. Grossman: I say to the member for Waterloo North (Mr. Epp) that we invited the technical evaluation committee to meet with the Progressive Conservative Party in our offices at eight o'clock this morning. He would have sounded more informed at the public accounts committee if he had known that. They agreed to come. Then late yesterday we got a call from the chairman of that group, saying Mr. Connell had informed them that they should not come because of a confidentiality clause in their contract.

Given that the Premier has said all the documents are open to scrutiny, will he please advise Mr. Connell to waive the confidentiality clause so they will be kind enough to meet with the official opposition?

Hon. Mr. Peterson: I am not sure I would enjoy going to the office of the Leader of the Opposition at eight o'clock in the morning either.

Mr. Connell and Mr. Magwood will be there tomorrow. The member can ask them any questions he wants tomorrow. I am sure he will want to be there, with the advice of the members behind him and beside him, to ask them whatever he wants.

Frankly, I do not even know what confidentiality clause the Leader of the Opposition is talking about. I do not think he knows either. Why does he not go to the committee tomorrow and ask Mr. Connell anything he wants to ask him? I am sure he will—

Interjections.

Mr. Speaker: Order. I do not mind waiting. I have all the time in the world.

Mr. Grossman: Sarcasm and sneering instead of the documents. Let us see the sneer instead of the documents.

INSURANCE RATES

Mr. Grossman: I have a question for the Minister of Education. Is the minister aware of the deep concern of the Ontario school boards who have found they are unable to find carriers to provide liability insurance for their buildings, employees and students? Is he aware that when boards can obtain insurance, as they must under the law, premiums have been increased by between 200 per cent and 500 per cent?

Our caucus has contacted the school boards, as we did a couple of weeks ago. We found out, for example, that the Durham Board of Education—

Mr. Wildman: Did the Leader of the Opposition check this question with the member for Mississauga East (Mr. Gregory)?

Mr. Grossman: Is the member not concerned about Durham? He should ask the member for Oshawa (Mr. Breaugh) whether he is interested.

The Durham Board of Education paid \$47,000 for liability insurance this year. Next year it will cost \$170,000, an increase of more than 300 per cent.

Is the minister aware of the situation? What does he propose to do about it?

Hon. Mr. Conway: Yes, I am aware of the concern. Yes, I share the concern with the honourable member and with members of the school board community across Ontario.

As the Leader of the Opposition knows from listening to my colleague the Minister of Consumer and Commercial Relations (Mr. Kwinter) during the past number of weeks, the whole issue of liability insurance is one of concern not just in the school board community but elsewhere in the public and private sectors.

Discussions are under way between the school board community and officials of the Ministry of Consumer and Commercial Relations to explore on a priority basis the options that might be available to alleviate the situation to which the member has directed our attention.

Mr. Harris: Is the minister aware that in my riding, Nipissing school trustees are suggesting the schools may not even be able to open in January? The Nipissing Board of Education paid \$15,000 for liability insurance in 1985; now it is a minimum of \$70,000 for only partial coverage, which excludes school shop classes, athletic events and other activities. In effect, even with the 500 per cent increase quoted, trustees feel there is insufficient coverage to be able to open their schools responsibly.

I am sure the minister is aware it is against Ontario law for a board to operate its schools without obtaining liability insurance.

Mr. Speaker: Supplementary, please.

Mr. Harris: Can the minister explain to my board and to boards across the province what options he has available to them? How are they going to be able to open their schools in January?

2:40 p.m.

Hon. Mr. Conway: This government wants to assure the good people of Nipissing and elsewhere in the province that the schools of Ontario will not be closed because of a want of liability insurance. I want to be very clear about that.

In my conversations with the Minister of Consumer and Commercial Relations, I have been informed that among the options currently being explored on a very serious and priority basis are such things as the establishment of a reciprocal insurance exchange that would allow the school boards to enter into a co-operative relationship where they could, in effect, insure themselves. If the honourable member would like, and if the House would allow, the Minister of Consumer and Commercial Relations might report in greater detail on that option and others.

Let me repeat to my friend the member for Nipissing (Mr. Harris) and my good friend the member for Scarborough Centre (Mr. Davis) that this government does not intend to see the schools of this province close because of a lack of liability insurance.

Mr. Swart: If the minister is genuinely concerned about this matter, the tremendous increase in insurance rates and the difficulty of getting insurance for the buses that transport these children, will he not notify his colleague the Minister of Consumer and Commercial Relations that we need an insurance board so that licensed insurance companies have to accept the social responsibility of providing insurance, and that the board should have the power to ensure that it is provided at a reasonable rate?

Hon. Mr. Conway: I take note of the member's representation today, as I have on previous days in this assembly when he has expressed himself, as he does so well, on this matter.

My friend the Minister of Consumer and Commercial Relations has been very helpful in drawing to my attention the activities of his department and in indicating the leadership that he believes can be shown in this regard. Again, if the House wishes, the minister might wish to report on this aspect of what we all know—

Mr. Martel: He does not seem to be too anxious.

Mr. Davis: Why does he not look at section 149 and change it?

Mr. Speaker: Order. That answer is satisfactory.

Mr. Jackson: Will the minister agree to provide this assistance by forming a co-operative or collective insurance system? Given that the current situation is going to become acute on January 1, will he and his government underwrite any expenses incurred because there is no liability for school boards come January 1?

An hon. member: A new socialist initiative. Interjections.

Mr. Speaker: Order. I guess no one wants an answer.

Hon. Mr. Conway: It is truly remarkable what a reference to a co-operative commonwealth does to this reform assembly.

I note to my friend the member for Burlington South (Mr. Jackson) that the Minister of Consumer and Commercial Relations has indicated to me that officials from the Metropolitan Toronto School Board have been in touch with his officials to explore in some detail the possibility of establishing a reciprocal insurance exchange, which is effectively a co-operative insurance operation that would allow school boards to insure one another.

As a government we have made it very clear that we are prepared and anxious to explore with the community all options that will and can be used to address this issue which, as I indicated earlier, is a province-wide and country-wide concern at present.

Mr. Rae: Medicare today, public insurance in six months; what do you say?

Mr. Davis: I would say we have a Progressive Conservative Party in opposition. We are not sure what the member's party is.

Mr. Speaker: Will the member for Scarborough Centre contain himself?

Mr. Foulds: We know what he is.

Mr. Rae: There is no cry more plaintive than that of the dinosaur on its last legs. I think that is what we just heard.

EMERGENCY HOUSING

Mr. Rae: My question is for the Minister of Community and Social Services. He will no doubt be aware, as we all are, that on Tuesday night, a short few blocks from this building, Drina Joubert, a woman who had been denied shelter a short week before, froze to death in the back of a truck which she was apparently using as temporary housing for herself.

The minister must be aware that single women in particular face an enormous housing crisis in this city and in many others across the province. He will be aware that a great many shelters are filled to the brim and regularly turn people away, and he will be aware that every spokesman has stated the degree of the crisis.

Is he in a position today to guarantee to each and every person living in Ontario a shelter over his or her head at night?

Hon. Mr. Sweeney: The person to whom the leader of the third party referred indeed represents a very great tragedy. We have investigated this situation and I would draw to the honourable member's attention that this lady was a family benefits recipient and collected a sum of money on a regular monthly basis. As a matter of fact, when she was found, she had \$100 in her purse.

The other point I would draw to the member's attention is that hostel beds were available the evening this tragedy occurred. In fact, this lady had gone to one hostel that was filled, she was directed to another one and chose for her own reasons—and I certainly do not know what they were—not to go to the second hostel, where beds were available.

The only point I can make about the individual case is that there was no need for what happened to have happened. It should not have happened and there was no need for it.

With respect to the broader question, I would draw to the member's attention that at the present time this government funds in excess of 12,000 hostel beds in this province to the tune of approximately \$33 million, \$11 million of that for the Metro Toronto area.

I am sure the member is aware of the fact that the initiation for hostel beds is through the municipality. We keep in regular contact with the municipalities all across the province concerning

this problem, in particular with Metro Toronto, and we are assured by Metro that there are beds. If more are needed, we have assured Metro that more will be funded. At present, we fund 80 per cent of the cost of those beds.

I would also remind the member that we have entered into an agreement with a number of churches in the Metro area for Ecuhomes, which also provide beds for people who have no place to live on their own.

I would suggest that we have a commitment to provide a shelter for everyone who needs it.

Mr. Rae: I cannot believe what I am hearing. The minister seems to be saying it is satisfactory to him that there are literally thousands of people whose only option is to sleep on a floor with 20, 30, 50, 80 or 100 other people, and that is what he considers to be an acceptable bed.

The minister is indicating that there is going to be no change in the policy of the government when agency after agency in this province is saying there is a crisis with emergency housing and there is a genuine problem with the fact that for many hundreds of people—indeed, thousands—the only bed they are able to call their own is something they have to ask for in a church basement or somewhere else, and the minister does not feel outraged by that situation.

What specific guarantee is the minister willing to provide that no more Drina Joubert tragedies will take place in Ontario? What is he prepared to do to stand in this House and say categorically: "It must not happen. It will not be allowed to happen. It will never happen again in Ontario"?

2:50 p.m.

Hon. Mr. Sweeney: I have indicated that we have worked and are continuing to work directly with the municipalities to provide hostel beds. I have also indicated that we are directly working with various church groups to provide Ecuhomes. I have also brought to the member's attention that we have recently increased the emergency winter hostel program in this province by 50 per cent, a third of which goes to the Metropolitan Toronto area. I further indicated that we very recently discussed with Metro Toronto the need for increased numbers of beds and that we will provide whatever is needed.

I am not sure exactly what else the member is looking for.

Mr. Cousens: I happen to believe the minister does have good intentions, unlike the third party, because I believe there is an effort to try to respond to it in the tradition of our party when we had that portfolio.

Does the minister have specific numbers of people such as this lady who just passed away in the cold? How many people are there in Sudbury, Ottawa, Hamilton and Toronto who are going homeless, out on the street, sleeping in places such as this? Can he give me the numbers of people in those cities who are currently not being looked after? If he gives me that number, then we will have an idea of how much he is going to do about it.

Mr. Speaker: The question has been asked. It sounds like a question that should go in Orders and Notices but the minister may want to try to answer.

Hon. Mr. Sweeney: I do not have the exact numbers the member is asking for but I can tell him we work very closely with the municipalities to establish the need. As a result of this tragic case, I also asked that there be a second check of the municipalities because, although they report to us the number of dollars they require, they do not report to us the actual number of people who take up those dollars.

I can tell the member we have in excess of 12,000 beds across the province. I cannot tell him the exact need he is referring to, but we are in the process of getting it and as soon as we do, I will be happy to share it with him.

Mr. Rae: Can the minister deny that over the last five years there has been not a housing program for single people but a warehousing program for single people? That warehousing program was started by Frank Drea and the Tories when they were in power and it has been continued by the minister without any change. There are literally thousands of people wandering the street with no permanent home, no permanent shelter, who at times are having to sleep outside on the street. That situation is taking place in 1985 a few short blocks from this place.

Mr. Speaker: The question has been asked.

Mr. Rae: Can the minister deny those facts and what does he intend to do to change this, for goodness' sake?

Hon. Mr. Sweeney: I deny that there is any need for people to sleep on the street. There are sufficient places for people to go in every city in this province, if they choose to do so. I cannot speak for people who make individual decisions.

I draw to the member's attention that on Monday my colleague the Minister of Housing (Mr. Curling) introduced a program which is going to deal with the shortage of housing, generally speaking. In the meantime, my minis-

try is responsible for emergency housing, not for housing generally, and we do meet that need for emergency housing.

[Applause]

Mr. Rae: I do not know how anybody could applaud that answer.

KIDD CREEK MINES

Mr. Rae: I have a question for the Premier concerning the announcement yesterday by Falconbridge Ltd. that it intends to spend \$615 million to purchase Kidd Creek Mines Ltd. of Timmins. The Premier will know that in the decades Falconbridge has been mining nickel in Ontario it has not refined a single ounce and it has not upgraded a single ounce of the nickel ore it has sent out of this province without adding value to it.

Given that this company has been playing poor and claiming poor for years with respect to environmental improvements and anything else, why will the Premier not change section 104 of the Mining Act, refuse Falconbridge any further exemptions and insist that if it has the money to buy a mine in Timmins and not add a single new job to the economy, it ought to be adding jobs to the economy by refining and upgrading the ore it produces here?

Hon. Mr. Peterson: I am aware of the point the member makes. He is quite right. I do not know how many years it goes back—

Mr. Foulds: Since 1912.

Hon. Mr. Peterson: —to 1912?—and how many exemptions have been given to the company over the years. The same thing applies to Inco. I am aware of that argument.

I do not have an instant answer for the member. I know the minister is meeting with them. I read, as he did, of the sale today. I do not have any more details than what I read in the newspaper, but I know the Minister of Northern Development and Mines (Mr. Fontaine) is in ongoing discussions with them.

I gather we intend to meet again in January. I will take the member's point under advisement.

Mr. Laughren: The Premier indicated that he learned about it through the newspaper. I gather the other ministers of the crown did the same thing.

Does the Premier think it is appropriate for a company such as Falconbridge—which gets an exemption from the cabinet on a yearly basis, although I believe the exemption now extends through to 1989—just to make the assumption that those exemptions would continue and it could go

ahead and purchase Kidd Creek Mines, when Kidd Creek itself does not have a refinery? Does the Premier think that is appropriate?

Hon. Mr. Peterson: Let me go even one further. I am one of those who has some concern at various times about the enormous amounts of domestic capital that are used to consume other companies and are not going into new jobs.

We have seen a great deal of paper entrepreneurship in this country in the last little while. We have seen a great deal of our own capital just going into buying and acquiring. We know there are certain tax incentives to do that at the federal level. It is the kind of thing that is of concern to me.

I know a number of other people have registered concerns and have posited some solutions to that whole question of corporate concentration here in this country. I do not have any instant answers—indeed, we do not have the power over that today—but I do share the concerns of the member.

Mr. Laughren: Since I do not suspect the Premier would agree with me that those two companies belong in the public sector anyway, would he at least tell those companies there will be no further exemptions under section 104 of the Mining Act until they make a commitment to build a refinery in Sudbury for the nickel and in Timmins for the copper and zinc?

Hon. Mr. Peterson: I will not undertake to do that but I will undertake to discuss the matter with the minister. I will look at the situation with the companies and if we have any news we will report back to the member.

EXTRA BILLING

Miss Stephenson: I have a question of the Premier. Having read the bill the Minister of Health (Mr. Elston) introduced today, which on careful perusal seems motivated more by sheer vindictiveness than by any real concern for health care, would the Premier guarantee that every cent regained, so-called, by this method will be directed to the health care system?

Hon. Mr. Peterson: I know the member's very strong personal and political views on this situation and I respect them even though she is wrong. She points out that we as a province stand to gain \$50 million from the federal government that has been withheld under the Canada Health Act. Over three years it will be \$150 million but it is now \$50 million a year.

We are now in arrears close to \$50 million as I recall. The Treasurer (Mr. Nixon) could help me out in that regard.

We have, as the member knows, an exploding demand in the health care area. She has seen our transfers go up by 8.2 per cent this year. New technologies, new utilization and an ageing population are putting incredible pressure on the health system. I cannot imagine that money will not be consumed very quickly. It would be nice to have far more than that. I am sure those moneys will be going back into the system to build a quality health care system right across this province.

Miss Stephenson: I have difficulty in assessing the Premier's response that the amount of money which is said to be regained by this activity is going to make any significant difference to the health care system when, indeed, it is such a minuscule amount of the total expenditure.

Mr. Rae: What is \$50 million?

Mr. Speaker: Order.

Miss Stephenson: Is the Premier aware that an increase of something slightly more than two per cent may be necessary to resolve the difficulties raised by this blatant act of terrorism against the medical profession which the Liberal government has introduced? Will that consume all of it?

3 p.m.

Hon. Mr. Peterson: I see my honourable colleague, whom I welcome back, has not lost her flair for intemperate language, even in opposition. I reject her characterization of what is going on here today. We think it is fair and we think the vast majority of the medical profession will see it as such.

They have been crying out, as the member knows, for increasing funding in hospitals. We have great technical demands for an increase in computerized axial tomography scanners and such things. Now we are going to be in a position to use the moneys very constructively, and I think the vast majority will be delighted with that.

Mr. D. S. Cooke: I can understand why the member who just spoke speaks so strongly about this issue since she was one of the first doctors to opt out of the Ontario health insurance plan in Ontario.

Mr. Speaker: Supplementary.

Mr. D. S. Cooke: I would like to ask the Premier for an absolute—

Miss Stephenson: On a point of order, Mr. Speaker: As a fiercely independent physician who has been a member of a noble profession which has contributed more to the welfare of this

society than any number of members of that party will ever contribute in 1,000 years, I say that suggestion is stupid.

Interjections.

Mr. Speaker: Order. I do not want the House to get out of hand. I remember the other day the member for York Mills (Miss Stephenson) invited somebody outside the House. I hope that does not happen again.

Mr. D. S. Cooke: The member for York Mills is probably designing those ads for the independent doctors.

Mr. Speaker: Supplementary, please.

Mr. D. S. Cooke: Will the Premier give a commitment to the Legislature today that the two years that are left in the agreement with the Ontario Medical Association will stand and that there will not be negotiations that will result in the \$50-million saving going into the hands of the doctors? We want that money in care for the elderly and other alternative programs, not in the pockets of the doctors.

Hon. Mr. Peterson: I do not want to get into a fight on the relative merits of the medical profession and the teaching profession. We on this side have profound respect for the members as members of both professions. We think they are all wonderful. As representatives of their profession, they are shining and stellar examples of professions that make a great contribution to humanity.

Miss Stephenson: On a point of information and correction, Mr. Speaker—

Mr. Speaker: Order.

Miss Stephenson: May I not correct the Premier, sir? I did not mention the teaching profession.

Mr. Speaker: If you said something incorrect on the record, you may correct it.

Mr. Grossman: The Premier did not answer the question.

Interjections.

Mr. Speaker: Goodness, we are all in the Christmas spirit today, are we not? Does the Premier want to make any response?

Hon. Mr. Peterson: I am informed I made an error and I apologize. I understand the member used to be a social worker. We like social workers as well as teachers and doctors. I want to clear that up. I humbly apologize at this Christmas time.

The minister will be using those funds in the health care area. It is not our intention to be antagonistic to the medical profession. There are

special circumstances where certain extra-billing funds have gone into research and other institutions. We are going to work with the doctors sensitively and effectively for the most creative use of the moneys that will be coming to this province.

I can assure members that the moneys will be assigned to building quality health care everywhere and that the medical profession is an important and integral part of that.

TORONTO APARTMENT BUILDINGS CO.

Mr. McClellan: I have a question for the Attorney General respecting the ongoing soap opera involving his cabinet colleague the member for Parkdale (Mr. Ruprecht).

I want to ask a question with respect to whatever happened to the Toronto Apartment Buildings Co., which the Attorney General will recall was charging students of the Radio College of Canada in the order of \$250,000 in illegal rent in clear violation of a current order of the Divisional Court for Tabco to obey the orders of the Residential Tenancies Act. Tabco was involved in an attempt to squeeze the \$250,000 in illegal rent out of the poor, benighted Radio College of Canada.

Mr. Speaker: Does the member have a question?

Mr. McClellan: In all the ongoing saga of the bumbling and stumbling of the member for Parkdale, whatever happened to the investigation and prosecution of the Toronto Apartment Buildings Co. for its clear violation of the order of the court?

Hon. Mr. Scott: I thought I made that clear when I answered the question earlier.

Mr. McClellan: No. This is the sixth time I have asked the question.

Hon. Mr. Scott: It may not have been clear to the honourable member, but I made it clear to anyone else who listened to it.

Interjections.

Hon. Mr. Nixon: It is all off. We can get along without you.

Mr. Speaker: Order. I am waiting for order.

Hon. Mr. Scott: If the member wants to ask questions as if he were in a grandstand, he cannot complain if someone else gets into the act every once in a while.

As I said in my earlier statement, the investigation into the allegations against Tabco for breaching the Residential Tenancies Act, or the orders made under it, is being conducted by the department whose name I always get wrong.

Hon. Mr. Nixon: Financial and commercial?

Hon. Mr. Scott: No, consumer and corporate affairs.

Mr. Foulds: Wrong again.

Hon. Mr. Scott: It is being investigated by Monty Kwinter's department.

When an allegation was made that there may have been some criminal implication to what they were doing, the matter was referred to the Ministry of the Attorney General. We conducted the kind of investigation through the crown attorney's office that I described in detail earlier today. The decision was reached that there was not sufficient evidence to lay charges, as I reported earlier today. The matter was reported back to Monty Kwinter's department, which is engaged in carrying on with the residential tenancies investigation.

I am sorry to waste the time of the House. We might ask for some more minutes, because that answer was given earlier.

Mr. McClellan: I thank the Attorney General for his little display of arrogance so early in the new game. I will ask the question for the seventh time and in a different way.

Is it the opinion of the Attorney General that the clumsy, bumbling and incompetent performance of his colleague the member for Parkdale, when he attempted to work out a private fiddle among himself, Tabco, Radio College and everyone else, has impeded the prospects of investigating the Toronto Apartment Buildings Co. and dealing with the fact that it is in violation of an order of the court not to charge illegal rents?

3:10 p.m.

Hon. Mr. Scott: Talk about arrogance. As long as I am Attorney General, no one, whether in this House or anywhere else, is going to play fast and loose with the reputation of any honourable member until there is evidence to warrant it.

Mr. Foulds: Methinks the minister doth protest too much.

Mr. Speaker: Order.

Mr. O'Connor: On the same theme of arrogance and to the same minister, does he realize there is a higher standard of conduct for ministers of the crown in which they must be beyond reproach when they are dealing with members of the public? The conduct of this minister in this case is totally unacceptable.

Hon. Mr. Scott: I do not know the conduct to which the member is referring. I will say clearly that if there is any evidence against any member

of this House that would lead charges to be laid with any expectation that a prosecution could succeed—that is precisely the issue—I will participate and see to it that they are laid.

Mr. McClellan: That is precisely not the issue.

Hon. Mr. Scott: The member treats this as a sideshow; I treat it as a very important matter. If there is any question about impropriety in the conduct of a minister or any other member of the government, parliamentary assistant or other, it will be up to the Premier (Mr. Peterson) to decide whether his resignation is required.

There is no evidence as yet against the member for Parkdale. To engage in this kind of sideshow, as my friend calls it, is grossly unfair not only to that member, but also to any other member who participates in the sittings of this House. This is a system of law and order and it does not become any different just because one gets elected in here.

MULTICULTURAL POLICY

Mr. Leluk: I would like to ask a question of the Minister without Portfolio for citizenship and culture concerning his current study on multiculturalism. Does the minister have a mandate or terms of reference for this study? How much will each of his 21 public meetings across this province cost, including travel and accommodation costs and the costs of his ministry officials? Is the minister studying nothing more than a make-work project?

Hon. Mr. Ruprecht: The member surely knows it is essential to go out and consult the multicultural community, precisely because the former government did not do that. Consequently, it becomes essential that we find out from the communities how best to serve them.

As to the member's second question about how much it costs, it will—

Mr. Davis: It will be in Orders and Notices.

Hon. Mr. Ruprecht: That is right. It will be in Orders and Notices. The member asked the question and we will put it in there.

Mr. Leluk: Will the minister let this House know what organizations he has met with and will be meeting with? Has he thought of consulting with the Ontario Advisory Council on Multiculturalism and Citizenship? When will his report be made public?

Hon. Mr. Ruprecht: I am happy to oblige. The member realizes full well that this is an open government.

Interjections.

Hon. Mr. Ruprecht: There is no doubt the member's questions will be answered. There is no secret whatsoever about the organizations I have met and in what cities I have met them. Consequently, I will provide the member with answers to his specific questions as to where and with whom we have met.

EMISSION DISCHARGES

Mr. Wildman: I have a question for the Minister of the Environment on his announcement on sulphur dioxide emission controls, Countdown Acid Rain, which we welcome since limits on acid gas emissions will help to preserve and stimulate the tourism industry in northern Ontario.

Recognizing that Algoma ore division is currently testing experimental technologies for cutting sulphur dioxide emissions, can the minister assure the House that limits on Algoma ore division will be achieved by means of improved technologies rather than reduced production and employment in Wawa?

Hon. Mr. Bradley: I can assure the honourable member that the goal of the Ministry of the Environment and the government, and I think this was clear in the negotiations with representatives of Algoma, is that the regulation which would apply will apply regardless of what the production schedule will be.

We have encouraged them, and the federal government has assisted with some of the research that is going on into finding means of reducing their sulphur dioxide emissions. I can assure the member that in 1994 their regulation will call for 125 kilotonnes regardless of what the production run happens to be at that time. If things bounce back in the economy, they still have to live up to that regulation.

Mr. Wildman: With respect, the minister did not precisely answer my question. Does he recognize that the experimental technologies to which he refers, the flotation and iron oxide processes, are ongoing? They have not yet been proven feasible. We will know that in approximately six to eight months.

If those technologies are not found to be as feasible as the company and the community hope and the ministry expects, can he assure us that the limits, the 125,000 kilotonnes to which he refers, will not be met by production cuts?

Hon. Mr. Bradley: When I look at the operations of a particular company in Ontario, I cannot dictate what those production runs will be. I cannot tell them they should be producing

more or less. That depends on their markets. I know when I was in Wawa, the member was there and we were discussing with company officials their efforts to reduce their sulphur dioxide emissions.

I can assure the member that the company must give a final report to us by December 31, 1988, on the technology and the methods to be used to reach the control order of 125 kilotonnes per year. It is my expectation that the company will do so, based on changes in technology rather than cutting back on production.

Ms. Fish: On the assumption, as the minister has indicated, that the cutbacks will be done through technology rather than production slowdown or closing, can the minister advise this House what proportion of the cost of installing such technology will be borne by each of the companies and what proportion will be borne by the taxpayers, whether federal or provincial?

Hon. Mr. Bradley: The honourable member will know from the announcement and from material that was provided to all members of the House that we are requiring each of the companies to report every six months to the Ministry of the Environment on its efforts in terms of the technology to be used and the costs.

By December 31, 1988, each of the companies—these are the two smelters in Sudbury and the sintering plant in Wawa—will come back to the Ministry of the Environment and indicate to us the technology it plans to use and the costs it anticipates. At that time, the Ministry of the Environment will evaluate that report and make a determination of just what allocation of funds, if any, would be available to either of the two smelters in Sudbury or the sintering plant in Wawa.

I would not want to give a commitment of government funds to any of these emitters until such time as it could prove to our ministry and this government that funding is necessary. If it is, the federal minister has promised up to \$85,000 from the federal government under its smelter program and I have given a commitment on behalf of the provincial government for a matching amount.

3:20 p.m.

VOCATIONAL REHABILITATION

Mr. Cousens: I cannot see how a bag lady who has no permanent address can ever receive welfare cheques from Ontario, but that is a subject for another question of the Minister of Community and Social Services.

My question to the Minister of Community and Social Services deals with the revision of the vocational rehabilitation services for the handicapped. The minister will recall that legislation under Bill 82 provided for the process of normalization whereby handicapped children and adults are integrated into the mainstream of Ontario's educational system.

The handicapped have relied on the expertise and funding of vocational rehabilitation services since its inception. However, with the abrupt changes now under way for those attending post-secondary institutions, there are problems. Will the minister explain how the needs of the handicapped will be met in view of these proposed changes?

Hon. Mr. Sweeney: In response to the member's initial editorial comment, I thought I made it clear that the lady was receiving a family benefits cheque, not general welfare assistance. For family benefits, one does not have to have a permanent address.

With respect to the specific question, I believe the change the member is referring to is that it is now a requirement that a handicapped person who is receiving vocational rehabilitation assistance and who plans to go to a college or university must also apply to the Ontario student assistance program for vocational rehabilitation assistance so as to get assistance for tuition and room and board. We have made it very clear that the vocational rehabilitation officers will provide every assistance for them to do that. If they cannot qualify, they can come back to vocational rehabilitation and get some assistance there.

As part of the mainstreaming and as part of the normalization, it is our sense that a handicapped person has an obligation, as does anyone else, to apply to the regular funding programs that are available.

Mr. Cousens: It sounds good, but it is not good. My supplementary has to do with a simple thing such as wheelchair ramps. The minister says the Ministry of Colleges and Universities is doing something. However, who will provide the simple, the most important service of having a wheelchair ramp for those handicapped people who need it? Is the minister going to assume that responsibility or is someone else? Who is?

Hon. Mr. Sweeney: The difficulty some handicapped people might have in physically applying for an OSAP loan or grant can be mediated by one of our vocational rehabilitation officers. As a matter of fact, we have agreed to work with the OSAP officials to have one application made at one location.

If a handicapped person has some difficulty in getting access to a university or college, that obviously would have to be taken up by the institution in question. It is not the responsibility of my ministry.

Mr. R. F. Johnston: I rise with some trepidation. I am not sure my voice will make it all the way through the question.

This program was established by the previous government, and the minister is just following in its footsteps again, as he seems to be doing with all the programs in his ministry. What does he intend to do to ensure that former psychiatric patients are not severely disadvantaged through this new move he has made, given that all their advocates are asking him to maintain vocational rehabilitation and not to force them into this OSAP approach?

Hon. Mr. Sweeney: I have met with two advocacy groups, and I made it very clear to them that all the vocational rehabilitation services available in the past will continue to be available. However, to the extent they are capable of doing so, and our officers are quite prepared to assist them in doing this, if they can qualify for OSAP assistance, we are saying they should apply for it. Again, let me repeat, if they cannot, we will continue to provide whatever assistance we may for them.

TUITION FEES

Ms. Bryden: I have a question for the Minister of Colleges and Universities. The minister is aware that the University of Waterloo is imposing mandatory computer service fees upon all students, ranging from \$40 to \$100 per term, which means an effective increase in tuition fees as high as 17 per cent. These fees are not tied to computer usage, and the university spends the money as it pleases.

In view of the fact that the ministry limits tuition fee increases to four per cent a year, does the minister not think such so-called incidental fees are a back-door method of bypassing the ceiling? Second, does the minister not feel that universities which impose such fees are reducing access to university for low- and middle-income students?

Hon. Mr. Sorbara: Let us start from the last part of the question, which deals with the question of access and whether that sort of fee reduces access.

The Ontario student assistance program does provide for the incidental fees that a university imposes on one student or another; so student assistance is provided to cover the cost of those

incidental fees. The question of access is not the major one when it comes to incidental fees. The question is whether in any particular circumstance an incidental fee is just another form of general tuition fee.

The issue has been raised with me on numerous occasions by the students of Waterloo. The institution has imposed a computer-use fee, and the honourable member is correct: it ranges in some instances from as low as \$40 to as high as \$100.

I should point out that virtually every university in the province imposes one sort of incidental fee or another. In fact, it is so widespread that I have asked the Ontario Council on University Affairs to investigate the whole practice of incidental fees so that the decision I make as minister with respect to the situation at Waterloo and at every other institution in the province is consistent.

I expect the Ontario Council on University Affairs, having held hearings throughout the province, to report to me on the question of incidental fees within the next month or two. When I get the advice from that body, I will be prepared to take some action.

Ms. Bryden: I can appreciate the minister's desire to obtain as much information on this subject as possible before making a decision about whether incidental fees are an increase in tuition fees. However, would it not be fair to impose a moratorium on such fees for the present so that, come January 1, students will not be paying this fee, which may or not be allowable under the four per cent ceiling, when the recommendations come down from the Ontario Council on University Affairs?

Will he consider imposing a moratorium on such fees so that other universities are not encouraged to impose them as well?

Mr. Speaker: There are a lot of private conversations here. I can hardly hear what is taking place.

Hon. Mr. Sorbara: A moratorium is a very attractive idea in the first instance. However, I must tell the member that when I visited the University of Waterloo, I discussed the question of incidental fees with a group of about 100 students. The president there says this revenue is crucial to the programs he offers those students, and were the revenue to be denied, programs would have to be curtailed. Students have said that if they had a choice, they would rather pay the fee and have the enhanced program than the reverse, which is not to pay the fee and not to have the additional facilities.

It is not as easy as simply imposing a moratorium. The more appropriate and responsible course of action is to wait for advice from OCUA and then take the appropriate action.

INSURANCE RATES

Mr. Brandt: I have a question for the Minister of Municipal Affairs. A question was raised earlier with the Minister of Education (Mr. Conway) about the very critical problem of receiving insurance in the education field, and I want to advise the minister that the same problem exists in municipalities.

Mr. Speaker: Why not try asking him?

Mr. Brandt: Has the minister had an opportunity to look at the issue to determine whether the municipal problem can be overcome through some assistance from his ministry?

Hon. Mr. Grandmaître: Let me assure the honourable member that my ministry and the Association of Municipalities of Ontario, along with the Minister of Consumer and Commercial Relations (Mr. Kwinter), are looking at the possibility of finding solutions to municipal insurance. We are trying to work out a solution to help municipalities that are indeed troubled at present.

3:30 p.m.

Mr. Speaker: The time for oral questions has expired.

Mr. Brandt: I had a wonderful supplementary.

Mr. Speaker: I am sure, but we will try it on tomorrow.

PETITIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Swart: Like other members, I have petitions here addressed to the Premier (Mr. Peterson) which, after some introductory remarks, state: "We urge you and your government not to proceed with this divisive proposal." That refers to the full funding of the Catholic high schools. The petitions have been signed by 359 people, and I would like to table them at this time.

REPORT

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Callahan from the standing committee on regulations and private bills presented the following report and moved its adoption:

Your committee begs to report the following bills with a certain amendment:

Bill Pr11, An Act respecting the Association of Municipal Clerks and Treasurers of Ontario;

Bill Pr33, An Act respecting the Township of Osgoode Care Centre.

Your committee begs to report the following bills without amendment:

Bill Pr29, An Act to continue the Corporation of the Township of Wicksteed under the name of the Corporation of the Township of Horne Payne;

Bill Pr40, An Act to incorporate the Ontario Municipal Recreation Directors Foundation;

Bill Pr44, An Act respecting the City of Kitchener.

Your committee would recommend that the fees, less the actual cost of printing, be remitted on Bill Pr33, An Act respecting the Township of Osgoode Care Centre, and Bill Pr40, An Act to incorporate the Ontario Municipal Recreation Directors Foundation.

Motion agreed to.

MOTIONS

BUSINESS OF THE HOUSE

Hon. Mr. Nixon moved that notwithstanding standing order 64(a), government business be taken into consideration this afternoon.

Motion agreed to.

COMMITTEE SITTINGS

Hon. Mr. Nixon moved that the standing committee on public accounts be authorized to meet following routine proceedings on the morning of Friday, December 20, 1985.

Motion agreed to.

Hon. Mr. Nixon moved that notwithstanding standing order 46(a), the standing committee on resources development may meet this evening to consider the estimates of the Ministry of Labour while Bill 81 is being considered at the same time in the House.

Motion agreed to.

INTRODUCTION OF BILLS

HEALTH CARE ACCESSIBILITY ACT

Hon. Mr. Elston moved, seconded by Hon. Ms. Caplan, first reading of Bill 94, An Act regulating the Amounts that Persons may Charge for rendering Services that are Insured Services under the Health Insurance Act.

Motion agreed to.

SCIENCE NORTH ACT

Hon. Ms. Munro moved, seconded by Hon. Mr. Fontaine, first reading of Bill 95, An Act respecting Science North.

Motion agreed to.

INCO LIMITED ACQUISITION ACT

Mr. Martel moved, seconded by Mr. Laughren, first reading of Bill 96, An Act to acquire the Assets of Inco Limited.

Mr. Speaker: Am I reading this right? President Martel moves, seconded by Mr. Laughren, that leave be given to introduce a bill entitled An Act to acquire the Assets of Inco Limited and that the same be now read the first time.

Motion agreed to.

Mr. Martel: This is a great day, with the nationalization of Science North and the conversion of the Tories to co-ops in insurance.

The purpose of this bill is to vest the title and control of the assets situated in Ontario of Inco Ltd. in a crown corporation, the Ontario Nickel Corp. If compensation cannot be agreed upon, provision is made for arbitration.

The objects of the Ontario Nickel Corp. include the task of operating and maintaining the assets of Inco Ltd. so as to provide employment and other economic benefits to Ontario, with headquarters located in Sudbury, where I can run the company.

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 17, An Act to amend the Highway Traffic Act;

Bill 80, An Act to amend the Planning Act, 1983.

ELECTORAL DISTRICTS REDISTRIBUTION (continued)

Resuming the adjourned debate on the motion for consideration of objections to the report upon the redistribution of Ontario into electoral districts.

Hon. Mr. Nixon: There will be one brief speech and then we will resume the order paper in its regular order.

Mr. Harris: I appreciate the opportunity to enter this debate, and I appreciate the House leader calling the order. I will not be longer than

an hour or two in the brief remarks I want to put on the record with regard to redistribution.

I want to congratulate the Ontario Electoral Boundaries Commission. I believe it has done a good job, given difficult and trying circumstances. Redistribution is never easy. There are many issues that will always be in conflict. It is a difficult task. While I obviously cannot comment on all the areas of the province, I do want to comment briefly on the proposed changes in regard to my riding of Nipissing and the riding of Timiskaming.

3:40 p.m.

The commission has proposed taking part of the area that is commonly known as west Nipissing and putting it in Timiskaming riding. While I understand and concur with the commission's attempt to equalize the numbers of constituents, and obviously I am supportive of that effort to try to balance the numbers of constituents in the various ridings. In the case of the one I am talking about, Nipissing has considerably more than Timiskaming and there has been some effort to adjust it because of that.

In addition, the proposed changes would pretty well parallel the federal ridings of Nipissing and Timiskaming and may have appealed to the commission for that reason. They may have made very good sense for that reason; in fact, they do make some sense. I acknowledge that. I must say, however, on behalf of the peculiar nature of the area known as west Nipissing, which is very heavy in its proportion of francophones, there is a common bond among many of the municipalities because of language.

Because of the small size of the various communities in west Nipissing, they have banded together in a number of areas. For example, they have the Association of West Nipissing Municipalities. They work together and share many costs, particularly in the areas of planning and industrial development.

There is also an organization known as the West Nipissing Planning Board. That was set up to deal jointly with planning matters in that area. I would be remiss if I did not point out to the commission that band 10 of the Nipissing Ojibways is involved with the Association of West Nipissing Municipalities in various discussions on matters that affect that area of my riding at this time.

What would happen with the new changes? It would split up some of the areas of Springer, Field and Caldwell townships and separate them from the town of Sturgeon Falls and from the town of Cache Bay and from band 10 of the

Nipissing Ojibways. I ask the commission to consider the concerns of these communities. Although the numbers may warrant this change and the proposed ridings may parallel the federal ridings, I ask whether those facts are not offset by the commonality of the communities.

Several other unorganized townships, such as River Valley, and other roads boards in various areas of west Nipissing, such as Lavigne, have worked and related together and will continue to do so. Because of the special relationship small municipalities tend to have with their local members of the provincial parliament in the provincial Legislature, they feel they may have to deal with two MPPs on some of these issues, which would cause some difficulties.

In concluding my remarks, I want to commend the commission again. I understand they have a difficult task and I understand the changes they are making, but I ask them to look at whether a revision to the original boundaries, because of the reasons I have mentioned, may not be warranted over the top of the numbers and the paralleling of the federal ridings.

I thank the government House leader for calling this order and for the opportunity to be able to participate in this debate. I regret very much that I will not be here later today for some of the other activities.

On motion by Hon. Mr. Nixon, the debate was adjourned.

NOTICE OF DISSATISFACTION

The Deputy Speaker: I think this is an opportune time to announce to the House that pursuant to standing order 28(b), the member for Oakville (Mr. O'Connor) has given notice of his dissatisfaction with the answer to his question given by the Chairman of Management Board of Cabinet (Ms. Caplan) concerning commitments to the Ontario Provincial Courts Committee. This matter will be debated at 10:30 this evening.

CAPITAL AID CORPORATIONS REPEAL ACT

Hon. Mr. Nixon moved second reading of Bill 42, An Act to repeal the Ontario Education Capital Aid Corporation Act and the Ontario Universities Capital Aid Corporation Act.

Hon. Mr. Nixon: Members will recall that on the implementation of the Canada pension plan, an arrangement was made whereby the share of the premiums paid by Ontario not needed to meet the cost of the plan would be made available to the province for borrowing purposes. We have fully utilized that capital availability over the

years since the Canada pension plan began. The decision of the previous administration was to allocate these funds to universities and other post-secondary institutions as well as to school boards through two capital aid corporations named in this act.

For a number of years the money was transferred to these corporations and then set out by way of loans to the recipients; the money was then repayable. Over the years the decision was made that the money not be allocated in precisely that way, but the note still had to be repaid. Through general legislative grants and transfers to post-secondary institutions and other organizations such as the Royal Ontario Museum, the Ontario College of Art and the Art Gallery of Ontario, money was provided from the provincial Treasury to pay back to the capital aid corporations the principal and interest that was entered into in previous years.

The use of the corporations to distribute the funds has not been active for a number of years. They have been kept in operation to receive payments from the former recipients, but it is now suggested in this bill that the two capital aid corporations be wound down and their assets transferred to the Treasury of the province. At the same time, we are writing down to zero these rather artificial debts held by the capital aid corporations from the post-secondary institutions and school boards so that no further repayment will be required.

For the last few years all the money paid back to the capital aid corporations has been provided by the Treasurer making specific grants either through the general legislative grants to school boards or through transfers to post-secondary institutions and similar institutions.

This carries out a commitment made in the budget that we think is reasonable. It simplifies the process of the grants and removes from the balance sheet of Ontario numbers that were carried as assets but that, by government policy over a number of years, were never going to be repaid except through grants from the government itself.

Mr. Andrewes: I rise to support the bill. It makes only good, common sense, given that the Treasurer (Mr. Nixon) has, in his wisdom, decided to write down these debts. This is not a bill that is going to be of monumental importance either to this Legislature or to the institutions that are involved, since I would assume that their obligations would have been met otherwise by way of grants given by the government to the institutions that are represented here.

When he sums up on this piece of legislation, I would ask the Treasurer to tell us how he intends to maintain controls over these institutions with respect to the transfer of money and how these moneys will be used. Can he enlighten us about whether any of the school boards still have outstanding debts?

3:50 p.m.

Mr. Foulds: I rise on behalf of the New Democratic Party to indicate support for this legislation. In the circumstances, since the official opposition is supporting the bill, I suppose for once we would have had the freedom to oppose it, but I do not see any reason to do so.

The arguments proposed by the Treasurer are sound, because what he is engaged in is a double set of books and circular financing, as far as one can tell. It is good, common fiscal sense and good common sense simply to repeal the corporations through this act.

I do have one question and I prefer not to go into committee of the whole House. Is my understanding correct that the Treasury has to give special grants above the normal legislative grants to school boards to repay the loans they have outstanding with the capital aid corporation? If some boards are getting a write-down that other boards did not get in the general legislative grants, there is a slight element of unfairness.

Hon. Mr. Nixon: I appreciate that the two opposition parties are supporting this bill, which is minor and falls in the housekeeping category. I am informed by the officials, however, that if it did not carry by the end of the calendar year, it would intrude into the fiscal year of school boards, which is the calendar year, unlike our own fiscal year.

That would mean they would begin paying back the capital aid corporation when it is not our intention to have them do so, and we would have to provide additional grants to make up for that payback. It would not cost us any more money, but the officials figure several piles of paper would have to be pushed around one more time.

The member for Lincoln (Mr. Andrewes) asked about maintaining controls. I can provide the assurance that the controls would be similar and just as effective as those that have been in operation during the last number of years when the actual use of the capital aid corporations was reduced and then finally vanished, other than to collect payments from previous loans. The controls would lie effectively with the Treasury and that is where they have been for the past eight years.

I do not believe there will be a problem in that regard that cannot be remedied by the opposition members in this House calling to the attention of the Treasurer and the public that they believe, God forbid, that something inadequate is going on by way of control. The control would rest with the Treasury and the Treasurer and that is good and sufficient.

The outstanding debt would be written down to zero since it has been decided for many years now that we would not call on the school boards or the art gallery or anybody else to raise money from whatever sources they would have—one can only imagine what they might be—to pay off this debt.

While it has been carried on our books as money owing to us, it has not been the policy of our predecessors and it is not our policy to call the debt either now or in the future. For that reason we have written it down and indicated that the debt that was established in good conscience and as a part of policy some years ago will not be callable and we will no longer carry it as an asset.

The member for Port Arthur (Mr. Foulds) indicated that there might be some unfairness in that some of the debt was probably paid back in good conscience and good order in the early years. That is an interesting point. However, it has now been many years since any actual outside money—that is, money not provided by the Treasury to pay itself back—has been used. If there is any residual inequity, I am not prepared to recognize it at this time.

I appreciate the support from the House.

Motion agreed to.

Bill ordered for third reading.

RESIDENTIAL TENANCIES AMENDMENT ACT

Hon. Mr. Curling moved second reading of Bill 77, An Act to amend certain Acts respecting Residential Tenancies.

Hon. Mr. Curling: I will keep my remarks very brief in the interests of time and in deference to members opposite, whom I am sure will have some comments to make.

This bill is very straightforward. Section 1 lowers the maximum rent increase chargeable without approval of the Residential Tenancy Commission from six per cent to four per cent, effective August 1, 1985. Section 2 provides for the rollback of excess rents charged between August 1, 1985, and the date of royal assent to this bill. Section 3 removes all references to the exemption of units renting for \$750 or more a month from the Residential Tenancies Act.

Section 4 provides for a one-year extension of the Residential Complexes Financing Costs Restraint Act.

The Deputy Speaker: The member for Sudbury.

Mr. Gordon: Thank you, Mr. Speaker, I was not sure whether you remembered which riding I came from. I am sure you know who I am. My name is Gordon, from the north. We are here today to talk about—

Mr. Newman: Flash Gordon?

Mr. Gordon: That is true. Actually they call my brother Flash Gordon; they do not call me that.

Mr. Newman: They should have called you Flash.

Mr. Gordon: I am not quite as fast as he is. I do not know whether that is a compliment or not.

Nevertheless, I consider it a privilege to get up today to talk about these new measures that are being brought in by the Minister of Housing (Mr. Curling). I know he has done a considerable amount of homework on this matter. I can tell because he looks a little leaner since the last time I saw him, so I presume he spent a good deal of time meeting with interested parties.

I would like to know a little more about exactly what transpired at those meetings. These are the kinds of things that interest us on this side of the House. There are meetings and then there are meetings and then there are other kinds of meetings. We have to consider what goes on in those meetings.

We know the Treasurer (Mr. Nixon) has meetings. He has meetings at Earl's Shell station and kicks the tires of the tractors parked outside. He is the one who is going to control the purse-strings for some of these programs that are going to come about as a result of this assured housing policy being advanced by the Minister of Housing.

I would like the minister to think about this for a little while. I am actually intrigued at how those people who are called developers in this province have spent years talking about how, if rent controls were put on buildings post-1976, this would create horrendous problems for those developers, the contractors and all those people who depend upon housing for their jobs.

We know how important housing is in this province. We know it is a real economic generator. It generates jobs and the sale of goods and services. We know it has a real, deep and lasting impact on the society in which we live.

I have to go back again. I know the minister is listening very carefully to me. These very fine gentlemen spent the last three or four months going around the province, going to television stations and radio stations, talking to newspapers in large centres and small centres, and going to places such as Windsor, which is not a small centre.

4 p.m.

Mr. Newman: Gateway to Canada.

Mr. Gordon: I agree with the member. Windsor is a fantastic place to live. I spent some of my most memorable years there. Will the minister mind very much if I digress for a moment?

Hon. Mr. Curling: Not at all.

Mr. Gordon: It has something to do with it because I lived in housing in that municipality and I am going to talk about it for a moment. This leads to what I am going to say. Mr. Speaker, you have to realize I want to provide some background to what I am going to say.

The Deputy Speaker: As long as it relates to the bill.

Mr. Gordon: It certainly does, Mr. Speaker, about as much as your fishing on the French River relates to your sitting in that chair.

Getting back to Windsor, I spent some of my most memorable years going to Assumption University, as it was then called. It became the University of Windsor in the year I graduated. I met my present wife there.

Mr. Dean: Present?

Mr. Timbrell: Present? What are you trying to say?

Mr. Gordon: I have to ignore these interjections. I am glad the minister is not interjecting. I am glad he is not being hard on me. Perhaps the House leader is.

I was going to come to the fact that I met my present wife there. I say "my present wife" because I have six daughters, and when I say I have six children, everybody looks at me and asks, "Is this all with the same wife?" I say, "Of course."

Hon. Mr. Nixon: You are much too young.

Mr. Gordon: Thank you. I recall living in Windsor quite well. At that time we lived in a place called the Casa Grande. It was like a fraternity house.

When we talk about housing, I am reminded of the real need in this province for housing for single people. Before I go back to the developers,

I would like to take a diversion track and talk about people.

Mr. Rae: You will talk about people before you talk about the developers.

Mr. Gordon: Exactly.

Mr. Rae: Then you will come back and talk about the developers.

Mr. Gordon: That is right. I have a feeling that the member who is interjecting must have spent some time in the federal House and learned a little about giving talks in a legislature. Obviously, he has.

One of the things that struck me today, in a question directed to the Minister of Community and Social Services (Mr. Sweeney), had to do with the unfortunate lady who passed away, who was frozen to death in Toronto. One of the reasons these things come about is that we still do not have enough housing in this province to meet the needs of single people. I urge the Minister of Housing to bend every effort in the coming months to come up with a program in conjunction with his fellow minister, the Minister of Community and Social Services, and the municipalities of Ontario, an innovative program that would address this very serious problem.

If he makes an attempt to come up with a program that takes another step forward in meeting the needs of those who, because of lack of education, or health or psychological problems, or inadequate education or unfortunate incidents that happen to them in their lives, have been disfranchised from the kind of life many of us are able to live, the minister will make a niche for himself and will make a very important contribution to the people of this province. Fate sometimes deals people blows they cannot recover from. I ask him to look into that aspect of housing.

Let us go back to the developers. The four per cent that is being placed on housing after 1976 intrigues me. The minister spent the past three or four months going around the province talking to everybody and anybody who would talk or listen to him. Then the day after he makes the announcement, everything is fine and there is no problem.

Perhaps the minister has some elements of the wizard about him, being able to do something magical—there may be stardust involved in all this. However, this is not a Broadway play. This is the real world. Someone said to me the other day: "When you are talking about the Legislature of Ontario, you are not talking about the real world. Get serious. This is not the real world."

Since I am here, I have to tell the minister this is the real world for me.

Mr. McClellan: Tell us about the secret deal. He will not talk about that.

Mr. Gordon: I am coming to the secret deal.

Mr. McClellan: Come on, get to the point.

Mr. Gordon: I am getting there.

Mr. McClellan: We know what the member wants to talk about.

Mr. Gordon: I do, but I want to build to it. I do not want to slide into it too fast.

Mr. McClellan: We want to know about the secret deal.

The Deputy Speaker: The member for Bellwoods will please cease interjecting. The member for Sudbury will carry on.

Mr. McClellan: I am filled with anticipation.

The Deputy Speaker: Perhaps if the member for Sudbury addressed the chair, he would not be disturbed by the interjections.

Mr. Gordon: I will try to ignore the interruptions coming from my left. Could the minister tell me where I left off?

Mr. McClellan: The secret deal. The member was just coming to the secret deal.

Mr. Newman: Back to Windsor.

Mr. Gordon: No, we will not go back to Windsor again.

I was intrigued how the key developers in this province threw up their hands on the day of the announcement and said: "Whoopie. Everything is fine. Everything is okay." The next day I looked across this floor and said to myself, "Either he has some magical powers or there is something going on here in the body politic that has been arranged." I thought to myself, "What happened on the way to four per cent on post-1976 buildings?"

That is why, when I began, I had to say there must have been many meetings between them and either the minister himself or his officials in the Ministry of Housing. We now know they are no longer the landlords of Ontario; as part of the new deal in this province, they are going to call themselves the property owners of Ontario. It is a very astute move on the part of the developers to call themselves the property owners of Ontario, because that is what they are. They are as much property owners as somebody who owns his own house or a cottage. Those are the property owners of Ontario. Even they had decided they were going to change their tune.

What is the secret deal? What has amazed me is that my friends on the left, led by that

well-known piano player, singer, troubadour, Rhodes Scholar—

Mr. Timbrell: An all-round good fellow.

Mr. Gordon: —and generally all-round good fellow, issued a press release in which he said to the world: "The world is unfolding as it should. We are confident everyone has been well protected and there is nothing to worry about."

4:10 p.m.

There is something to worry about. I am soon going to start sounding like the Minister of Agriculture and Food (Mr. Riddell) There is something to worry about. There is a deal. I do not want the Rhodes Scholar to leave yet. I want him to listen to this. The deal is that they are going to take financing costs, repairs and maintenance and all kinds of things and feed them into a formula that will raise rents for those people living in those buildings built before 1976. They are going to pay through the nose.

Mr. Rae: On a point of order, Mr. Speaker: If I may revert to a tradition from another place, would the honourable member accept a question?

The Deputy Speaker: Will the member accept a question?

Mr. Gordon: He will have his chance to talk.

The Deputy Speaker: Carry on, the member for Sudbury.

Mr. Rae: I was looking forward to asking him a question.

Mr. McClellan: No questions are allowed; they are verboten.

Mr. Gordon: When we get down to the committee stage on this, we will see who asks the questions and which party begins to squirm over this secret hidden agenda that has been put together by the Minister of Housing and his cronies in that ministry. We will see where the questions come from.

The fact the leader of the New Democratic Party is finding it so hard to leave this House and is continuing to interject tells me and should tell everybody in this House there is a hidden agenda. They are embarrassed by it and they are hoping they will not get nailed with it in six months.

Mr. Davis: He is coming back to sit down. The member moved him—

The Deputy Speaker: No, carry on, the member for Sudbury.

Mr. Gordon: I will allow the leader of the New Democratic Party, that Rhodes Scholar—

Mr. Rae: On a point of privilege, Mr. Speaker: The member has indicated that my

leaving has something to do with some motive which he has attributed to me.

Since my leaving has everything to do with Christmas and nothing to do with the remarks of the honourable member, I want to indicate on this matter of privilege that the long-term bill will go to committee. If my friends, the members in the Conservative Party, have some concerns they want to raise in that committee and move amendments that will protect tenants and take on the developers to protect tenants, then we will be able to change the bill for the better if that is the kind of—

The Deputy Speaker: Order. That is not a point of order or privilege.

Mr. Gordon: I did not say to the member who was starting to leave that he was leaving because of what I said. I said he was staying and the fact that he was staying tells everyone in this House that they recognize the truth, that what is being said here has validity.

I am willing to bet that in the new year we are going to see the New Democratic Party begin to take a different stand. It is going to start moving away from all that gushy prose it put out the day the Minister of Housing announced his new assured housing for Ontario. That is why I am surprised a Rhodes Scholar would not have picked up this little bit of subterfuge that is going on here. Nevertheless, we will not get into that now.

I have some very real concerns about the kind of deal that has been worked out here. It has not been publicized. It has been established and put together in the back rooms of the Ministry of Housing. If we could subpoena them and put them under oath, ask them to bring out all the letters, minutes of all the meetings, be able to get them to tell us what was said on both sides, and if that was reported and put in the papers, there would be a howl across this province such as has never been heard before.

The tenants of this province are intelligent people. As they begin to hear what is being said, they too will begin to ask questions. For example, they are going to ask: "Are we expected to pay all this increase? Can we not expect the home owners of Ontario and the rest of the taxpayers to contribute something, too? Why should we alone be expected to pick up the tab for this new policy?"

It is a new policy. It is a policy attempting to make the rents in those pre-1976 buildings higher, to bring them up so that the rents being paid in those buildings that were built since 1976 and those being paid in the ones built before 1976

will come closer together. When they begin to build some new buildings—and no one would ever deny that we have a real need; we are not saying there is not a need—people will be a little more willing to pay the kinds of rents that would be required for there to be an economic return on those buildings that are built in 1986.

That is the plan. It is part of the plan, I should say. I do not want to spill all the beans here today, because I am sure the Minister of Housing and I are going to have many more conversations across the floor of this assembly.

Mr. McClellan: I will be there, too.

Mr. Gordon: I know my good friend the member for Bellwoods is going to be there egging me on, urging me on. There will be other people there, too, whom I will not even acknowledge are here today.

What is going to happen to the tenants of Ontario in this new system? The minister has eliminated their opportunity to go before a quasi-judicial hearing, at which they had the rule of law on their side, so they could speak their piece and cross-examine. He has taken it away from the developers as well.

He is bringing in an informal type of meeting. The first meeting will be an informal meeting between the property owner and the new rental adviser. It will be an informal meeting between the tenants and the rental adviser. What does an informal meeting mean?

Informal suggests to me that one takes off one's tie, wears short sleeves or maybe even shows up in Bermuda shorts. Is the rental adviser going to turn up in casual clothes, too, just so everybody feels that much more relaxed? Perhaps that is what we should do in this House. Maybe it is the secret. The secret of a good Legislature is that we begin to dress more informally, because it is so much easier to make the laws of this country and of this great province of ours in an informal, off-the-cuff fashion.

Miss Stephenson: There are some norms that have to be upheld.

Mr. Gordon: That is true. I would have to say there are some norms, but that is not the new fashion that is going to occur in the Ministry of Housing.

Miss Stephenson: A vogue nouvelle or a vague nouvelle?

Mr. McClellan: Or is it a filibuster?

4:20 p.m.

Mr. Gordon: I would have to defer to the former Minister of Education, knowing her loquaciousness and her ability to go on and on for

hours and hours, but she always makes a great deal of sense.

What is going to be the real cost of these changes that are being made? I have been spending a good deal of my time boning up to be the Housing critic, because I know the minister has so many more aides than I do; that is the formal way of doing things. For the tenants and the developers of Ontario, it is going to be the informal method.

I want to quote from the minister's Assured Housing for Ontario: the Reforms to Rent Review. It says, "Economic rents reflect the level of revenue a building must produce to provide an adequate return on invested equity." The question is, how are we going to get there? How are we going to get to the economic rent the minister writes about? Perhaps the minister did not write it, but somebody wrote it for him. Who is going to decide what is an adequate return? Who is going to make that decision?

Hon. Mr. Curling: Good question; very good question.

Mr. Gordon: The minister says to me, "That is a good question." I thank him for that remark; it is a good question. This is the second part of my talk today.

Mr. McClellan: What was the first part again?

Mr. Gordon: In the first part, we were talking about the secret deal and the hidden agenda.

I see we have worn out one Speaker and we are going to have another one now. We will find out whether this one is any better than the one who just left. I take that back; I meant it in a jocular fashion.

Is not the latest Speaker the one who came from the Ombudsman's office?

The Acting Speaker (Mr. Morin): That is correct.

Mr. Gordon: Anyway, back to what I was talking about. Who is going to decide and what is an adequate return?

Mr. Breaugh: It is hard to believe my friend actually has notes for this speech.

Mr. Gordon: If one—if one—

Mr. D. W. Smith: The member threw him off.

Mr. Gordon: Yes, he threw me right off the bridge.

Mr. Breaugh: The member let his finger slip off the page.

Mr. McClellan: The member got past the secret deal and the hidden agenda. He was going on to something else.

Mr. Gordon: That is right.

The minister is going to set up a committee to try to get things resolved in this new Alice in Wonderland world we are moving into. It is my understanding this Rent Review Advisory Committee is going to be made up of six landlord representatives, six tenant representatives and five senior ministry officials, including the assistant deputy minister and the chairman of the Rent Review Hearings Board.

Ms. Fish: Which ADM is that? Is it the ADM responsible for the building industry?

Mr. Gordon: We will see if I can be a good Charlie McCarthy. "Which ADM is that? Is it the one responsible for the building industry?"

Ms. Fish: Is that the one? Is it the one who deals with the landlords?

Mr. Gordon: Mr. Speaker, you can see that already I have converted one member of this Legislature to the view I have been advancing. Actually, she is one step ahead of me, because my friend the member for—is it St. Andrew-St. Patrick? Is that it? No?

Ms. Fish: The member has a friend in St. Andrew-St. Patrick. I happen to be the member for St. George.

Mr. Gordon: Okay. The member for St. George is actually pointing in the direction I am going; that is, we are dealing here with a stacked deck. The stacked deck is that we know this group is going to be there in an advisory capacity, but almost a third of the deck is made up of senior officials from the ministry.

I have to believe what has happened is that the minister's senior officials have sat down with the property owners of Ontario, which is the new name for landlords. Those officials being more of the property owners' persuasion and leaning more towards their arguments—which now have become paramount in the Ministry of Housing and even for the minister because he is advancing their views and their policies—what is going to happen is that a way is going to be worked out so the tenants of Ontario, or perhaps all the citizens of Ontario for that matter, are going to have to take care of the increased rents that are going to come about in this province. That is the bottom line. That is what is happening.

I wonder how much we can trust those people in that ministry. I wonder whether the minister has been seduced by their urgings and declarations of what should be in this province when it comes to what happens to landlords and tenants.

I could go on for a long time—

Mr. Davis: Keep going. I am enjoying it.

Mr. Gordon: Actually, I have used only a couple of pages of notes so far.

Mr. Davis: Do not stop now. We can go to six o'clock.

Mr. Gordon: No, no. Christmas is coming.

Mr. Davis: I think the minister would like to hear some more of the story.

Mr. Gordon: Would he? Okay. What the minister has effectively done to the tenants is he has done away with their right to natural justice by doing away with the Residential Tenancy Commission and the residential tenancy officers. The minister is going to find, as time goes on, that the tenants on his Rent Review Advisory Committee are going to find it increasingly difficult to understand what they are being told about what they should be doing or not doing when it comes to rents in this great province.

I do not know how long the minister is going to be able to hold this thing together. It is going to take an awful lot of glue. Maybe he is the one to come up with that glue because, as I said in the beginning, some elements made me think a little wizardry was going on. Then I took the time to think about it, to try to analyse it, and I came to the conclusion that the minister and the Ministry of Housing had decided to come down four-square on the side of the developers of this province.

I do not think the developers are going to thank the minister for this in the long run; before this is all over, I think even they will wish it had not happened in quite that fashion. It takes developers to put up the buildings, but it also takes tenants to inhabit those buildings. I have a feeling this whole new experiment of the minister's is going to cost us a great deal of money. I have to question what is happening.

When we have these hearings, I hope we will find that people will be much more forthcoming as to the meetings that were held and to the effects of those meetings.

I hope too—we in this party hope—that those people sitting to the left of us will begin to see the light and will begin to talk about the tenants of this province the same way we are. I want to hold out a hand to them. We are looking for them to come over, all of them. We will welcome them with open arms. I promise that when the time comes, I will not make fun of anybody who did not listen to our words with full attention today.

4:30 p.m.

I want to wish the minister well in his new portfolio; I certainly bear him no ill will.

However, I will be as critical as possible, because as a former educator, I know there is always room for improvement.

We would like to see him have the opportunity to bring in policies in this province that will be good for the people of Ontario. We feel that with our guidance and with his examination of our past history, he has obviously seen something good in what we promised in the past or in what we have done in the past. Obviously, he is bringing in the four per cent for those pre-1976 buildings. Obviously, he also sees the light and is going to see that going through the \$750 barrier does not allow people to increase rents in an untenable fashion any more. That was one of our policies. He is also going to see that financing is taken care of properly with the five per cent.

I think the minister is beginning to learn. He has been a good student, and I want to give him top marks in that respect.

At the same time, I have to warn him that one thing that concerns me is that he seems to have fallen completely into the hands of the development industry. He has set up so many committees, and when we see a minister establish so many committees after six months, we know he is putting off the moment of truth. He does not want to have to answer questions, so he says: "It has gone to committee. The committee is trying to decide." That is understandable. I used to do that years ago when I was mayor of Sudbury. When I had a problem, I would establish a committee to look at it and examine it.

We on this side of the House have been here long enough and are experienced in education politics, having been elected to boards of education, to municipal councils or to this Legislature. In fact, some in this House have even come from the federal House; one of them is going to change his mind about tenants too very shortly, but I am not going to talk about that right now.

We know how the minister can go about deferring decisions and making things fuzzy. We are not fooled by what is going on. I urge him to re-examine some of the things he has put in print in Assured Housing for Ontario. I will be the first to tell him what I think is good in it; I am certainly not going to rap him for things that I think are positive. However, there is a little bit of subterfuge going on here. There is a hidden agenda, and I think he is hoping none of these committees is going to have to report for at least two years.

We know how long it takes to begin new building programs. We know how long it takes to

get things started and to get things rolling. The minister is looking for some lead time here. However, we are going to be watching very closely, observing and commenting on his activities as minister.

Since I probably will not have an opportunity to talk to the minister again in an informal way—since we understand now that things are going to be much more informal—I would like to close my remarks by wishing him a merry Christmas and a happy new year.

Mr. McClellan: I cannot say how much I enjoyed listening to the fantasies of my colleague the Conservative Housing critic. I am delighted to hear him say clearly and unequivocally for the record that they are implacably opposed to the interests of the development industry and that they are openly and defiantly hostile to the development industry. The Tories have converted to the cause of unapologetic socialism. They have adopted as the central core of their plank and platform one of the very central cores of The Communist Manifesto itself.

A most amazing transformation has taken place. A few short months ago, when they sat on the other side of the House, they were responsible for a piece of rent control legislation that was toothless and unenforceable.

Mr. Timbrell: Oh.

Mr. McClellan: The Conservative House leader groans.

In 1979, this Legislature passed section 33 of the Residential Tenancies Act setting up a rent registry; it was the means of enforcing the Residential Tenancies Act. One cannot enforce a rent review system if there is no means of recording legally chargeable rents and if there is no means for tenants to find out the legally chargeable rent for their units.

Despite the fact that section 33 was passed by this Legislature, the Conservatives never proclaimed it and never brought forward amending legislation, not in 1980, 1981, 1982, 1983, 1984 or 1985. They did not bring forward legislation to enforce the Residential Tenancies Act through a rent registry. They persisted in exemptions that, after 10 years, meant thousands of units were not within the purview of rent review. Many thousands of tenants did not have protection or security of tenure and had no protection against the threat of economic eviction.

Now the Conservatives say they have reformed. They have come to understand, to paraphrase the remarks of their Housing critic, that the private development industry is so evil it cannot be trusted. Some kind of menacing secret

deal, according to their critic, has been worked out between the government and the development industry to shaft tenants. He has been saying that since Monday.

Miss Stephenson: That is not what he said.

Mr. McClellan: That is exactly what he said. I know the former Minister of Education is a genuine Conservative, a real right-winger of the old school, and does not believe the words that are coming from the mouth of her Housing critic.

Miss Stephenson: He said he was fearful.

Mr. McClellan: She is appalled and cannot comprehend that a Conservative Party spokesman in Ontario would be uttering these kinds of socialist shibboleths.

Miss Stephenson: It is a shibboleth; that is right.

Mr. McClellan: She was so appalled that she found it necessary to heckle him during his speech. She threw him off his stride.

Miss Stephenson: I was not heckling him. I was asking a question.

Mr. McClellan: Now she is heckling me.

Miss Stephenson: Mr. Speaker, on a point of order: I was merely asking a question of the minister through the member for Sudbury: Was his new program nouvelle vogue or nouvelle vague? I want that answer; that is all.

4:40 p.m.

Mr. McClellan: The critic replied that it was not sufficiently socialist for him because it was obviously biased in favour of capitalist vested interests, otherwise known as developers.

That is an amazing line from the Conservative Party, and we welcome it. We congratulate them for their conversion to the cause of progressive socialist thought and we look forward to working with our socialist Conservative colleagues in the committee when they put forward their amendments to strengthen the legislation, so that it is the strongest and most ironclad tenant protection legislation of any jurisdiction in the western industrial world.

Because of the pledges of the Conservative Party, we have an opportunity to strengthen the rights of tenants in all aspects of the legislation and to strip from the developers any usurpation that may have crept in through the back door of bureaucracy.

We welcome this challenge from the Conservative Party and we accept it. We will put the developers in their place. We will support pro-tenant amendments to the legislation and we will emerge at the end of the process with a strong

bill of rights for tenants that will be the best in the western world.

Mr. Breaugh: We will be born again.

Mr. McClellan: Since the Conservatives have been born again, we have to welcome them, but I digress from my historical exposition. I was talking about how awful the Conservatives were when they were in government. There was no means of enforcing rent control. Not only that, they eliminated housing supply programs in Ontario.

In 1979, after re-enacting the Residential Tenancies Act, the government of Ontario abolished the Ministry of Housing, turned the Ontario Housing Corp. into a holding company and did not finance the development or the construction of any more affordable rental accommodation in Ontario for the next six years, until they were thrown out of office.

It was not until Monday of this week, when the Minister of Housing made his announcement, that Ontario re-entered the modern world and reassumed the responsibility that it had accepted in the 1960s to finance the construction of affordable, nonprofit rental accommodation across this province.

The result of the two policies—on the one hand, rent review; on the other hand, the elimination of a public sector housing supply program—has been a housing crisis of catastrophic proportions brought on entirely by the policies of the previous government.

The private development industry has been on strike since the introduction of rent control in 1976. Private capital in this province has refused to invest in affordable rental accommodation because of the presence of rent control. Everybody knows that.

Representatives of the industry said it when they were organized under the rubric of the Housing and Urban Development Association of Canada. Various spokespeople have been saying in loud, honest and unequivocal shouts that they refuse to invest their money in affordable rental accommodation as long as rent control legislation is in place.

Everybody in every party understands that. That is the rule of capital. If the rate of return is going to be restricted, it will be invested somewhere else where it is not restricted. Yet the response of the Ontario government under the Conservatives was to terminate its own housing supply program. Apparently, they still have not reconciled themselves to the reality that rent control is here to stay.

Very simply, the corollary is that the public sector has to accept a major responsibility for financing the construction of affordable rental housing and it will have to be done on a nonprofit basis because the private sector will no longer play in the game. That is the reality in Ontario. It has been the reality for the last 10 years and it will continue to be the reality for the indefinite future.

Nobody in any political party on the right in this province has the intestinal fortitude to call for the elimination of rent control. They know that it would be a catastrophe for tenants and that the tenants would assassinate them politically as soon as the polls were open. That is the reality and everybody knows it is the reality. All the nonsense and puffery that will take place over the next three to six months as this legislation works itself through the system here will not disguise that fact.

I regret that the new government has chosen to participate in the charade that somehow the private sector can be enticed back into the business of building affordable rental housing. Various schemes have been developed since the mid-1970s to try to give artificial respiration to the private rental development industry. They have all been one variety or another of a catastrophe, a ripoff or a scam, starting with the assisted rental program, through the Ontario rental construction loan and the Canada rental supply program, and now we have Renterprise announced again on Monday.

The statistics of Renterprise speak for themselves. An investment of \$75 million is required to build 5,000 units of affordable housing. Compare that with the government's well-designed nonprofit housing program. Seventy-two million dollars is being invested. It will stimulate a total, I believe, of \$1.6 billion of construction and the construction of 15,000 units of nonprofit affordable housing. Through Renterprise, \$75 million flows down the drain to produce a third of what could be produced with the same investment in the nonprofit sector. That tells us the whole story right there; the beginning and the end of it.

Yet the government continues to follow the foolish path charted by the previous Conservative government, which spent tens of millions of dollars in various giveaway schemes to the private development industry in the vain ideological hope that somehow, some way, if it was only given enough money, the private sector would come back into the rental market. It did not, it would not, and it will not. The government is

going to waste another \$75 million proving it yet again.

Nevertheless we are pleased that at long last, after 10 years, we have legislation which imposes a reasonable rent ceiling of four per cent, plugs the loopholes and provides a means of enforcement of rent control.

The Conservatives today will happily support the four per cent ceiling, but I was here in June 1977 during a previous minority government when the then Premier William G. Davis said if the minority parliament had the gall and audacity to move an amendment to his rent control bill, which would have reduced the rent ceiling from eight per cent to six per cent, he would call a general election.

Mr. Timbrell: In April.

Mr. McClellan: In April, thank you. The election was in June; June 7.

Mr. Timbrell: June 9.

Mr. McClellan: June 9. I do not argue facts with the member for Don Mills (Mr. Timbrell). I was re-elected on the 7th. He may have been re-elected on the 9th.

At any rate, the Conservative Party expressed its attitude towards minority government, towards opposition, towards rent control. That silly episode, that \$40-million expenditure on an unnecessary election about an issue of whether the rent guideline should be eight per cent or six per cent, is part of the historical record. When the Conservatives were re-elected, the first thing they did was bring in a rent ceiling of six per cent, which we are changing, and it has not been changed since 1977.

4:50 p.m.

This is a historic day. Despite the fact that interest rates have been drastically reduced for a number of years and four per cent has been the obvious target for a considerable time, and that the previous government did nothing to actually implement four per cent, we finally have the four per cent ceiling before us today and I am actually in order when I make that statement, probably for the first time in my speech.

We also have the re-enactment of the five per cent cost pass-through. Again, this is something we applaud. We will have an opportunity to talk at even more fulsome length about the reforms set out in the larger bill, which eliminate the exemption, set up a rent registry and make some major changes to the structure of the Residential Tenancy Commission and the rent review process.

For now, I simply want to say we are pleased to support the bill in front of us. We are pleased in a general way with the announcement the minister made on Monday. We will have a lot of questions to raise when the omnibus rent registry bill goes to committee. I cannot even remember what it is called. It is the successor to the Residential Tenancies Act. We will work with our newly revolutionized Conservative colleagues to strengthen the tenants' rights sections of the bill.

Mr. Taylor: What do you mean by that?

Mr. McClellan: The member should have heard his Housing critic.

Mr. Taylor: I heard.

Mr. McClellan: We will see what the Conservatives do when amendments are put forward in committee. If they are upset about a secret deal with developers, maybe they will be willing either to move or to vote for amendments that strengthen the rights of tenants and smooth any potential rough edges in the legislation in favour of tenants. We will just wait and see.

We are prepared to take up the challenge the Conservative Housing critic has hurled down here today. We look forward to working with him and the minister in producing a strong package of tenant protection legislation, the first piece of which will be passed later this afternoon.

We look forward equally to the expansion of Ontario's new nonprofit housing supply program. I will conclude by again urging the government to reconsider the allocation of so much money in a vain attempt to artificially resuscitate the private development industry. It is not going to happen.

If the government has \$75 million to spend on housing, let us spend it where it will work effectively. The Premier toured the Frankel-Lambert development during the election campaign in my own riding. He was mightily impressed with what he saw. It is a community of almost 1,000 units which has been built with programs that are no longer in place. The member for St. George (Ms. Fish) and I had the opportunity to work together in bringing that community into existence.

Ms. Fish: Proudly so.

Mr. McClellan: Proudly so. It is a wonderful success story, a mixture of nonprofit, co-operative and private housing that stands as a model of what can be accomplished. The St. Lawrence development in the riding of St. George is also a living model of success in the nonprofit sector.

Ontario turned its back on those success stories for six long years. Now, after a long drought, we have an opportunity to move forward and build nonprofit and co-operative housing communities all across the province. That is a real accomplishment which we welcome with great enthusiasm.

I will not talk any longer because we will have lots of time to talk about all the details of tenant protection and tenant protection law in the days, weeks and months ahead.

Ms. Fish: Given the condition of my voice, allow me at the outset to extend my apologies to you, Mr. Speaker, my colleagues in the House and the Hansard clerks who will no doubt try to hear me on all occasions. I hope members will bear with me as I join in this debate.

First of all, I support the legislation before us in Bill 77. My concerns deal with the degree to which Bill 77 will live up to its promise as a strongly pro-tenant bill at the time when we see the companion omnibus legislation and work our way through the implementation questions that are implicit in the proposed changes to the rent review system beyond those outlined in this bill.

I believe, for example, when we go through and look at the opportunity for four per cent rent review ceilings, we must understand the criteria that will be applied to afford a decision in excess of four per cent. One criterion that will be applied in the future speaks of economic rent. In particular, that will deal with post-1976 buildings mooted to be suffering losses and, more to the point, pre-1976 buildings that are suggested by so many landlord and development groups to have artificially reduced and severely depressed rents. An interesting turn of phrase has come about in the use of the term "artificially depressed" rents.

I will raise a simple question. What is the purpose of rent review? As far as I understand it, and the reason I have always and consistently invoked before city council or in this House when I have had the opportunity to participate, when I have supported rent review and have called for its strengthening, has been that I believe the rent review system is there precisely to moderate rental increases in the market, precisely to intervene in market forces to achieve rental rates that are lower than would be found if rent review were not there.

To speak, therefore, of rent that has been depressed from market by virtue of a rent review system and to say that is wrong is to mount a frontal assault on the entire point of rent review. I have a great deal of difficulty understanding how the two can coexist. If rent review is there to

moderate the rents, and I believe it is, it is there to control a sector that has never been free since the Second World War. Free enterprise is not what occurs in the housing market.

5 p.m.

That market has been protected and sheltered, as Pat Laverty sitting under the press gallery knows well, from the days of mortgage insurance as it was introduced, from the continued efforts to utilize the construction and housing industry as an opportunity to counter downward cycles in the economy and to pump in money. It has never been a free market within the adult life of anyone in this House. It has been very substantially subsidized and assisted and very considerably protected from loss.

It is perfectly reasonable under those circumstances to suggest that a very substantially supported sector also be a regulated sector. The form of regulation that we have applied here in Ontario has been rent review. The regulation has had the effect of moderating rents; yet we are now going to see a substantial change in the criteria that will be used to consider when rents should go beyond the guidelines now proposed, as we indicated we would as well, of four per cent. What then will those criteria be?

I return again to this point. One of those criteria will apparently be the pre-1976 buildings that were having their rent levels held down precisely in the fashion that the whole point of a regulated system intended. They were to be held down below the euphemistic economic rent, also known as the market rent and also known as whatever one can get somebody to pay for it, particularly in a tight vacancy market. It is a fascination to me.

It is also a fascination to me when I read such learned studies as those done by a commission of the Ministry of Housing a few short years ago, and those done by august bodies whose passing I am sorry to see, such as the Ontario Economic Council, which undertook reviews of the rent review system and, among other things, concluded that the very existence of the system as it applied to those units built and occupied prior to January 1, 1976, had a moderating effect, and perhaps the hostile observer might use the phrase "depressant effect," on the rent for post-1976 buildings.

What then was the rent review system supposed to do? If it was supposed to fuel the rent increase drive, why on earth would we have it? If it was not intended to interfere in what has never been a free market anyway on the support for producing the supply, which some have thought

should be a free market in the demand end, why do we have it? The whole point is that the rent has been held down and there has been an impact on the rents that can be charged in the post-1976 buildings by virtue of the existence of competition in pre-1976 buildings. That has been the entire point of regulating that sector and of introducing rent review.

What is now proposed is that in both those cases, where the rents have been quite correctly, I argue, moderated downward in the pre-1976 buildings, a provision will be brought forward and new criteria established to afford an opportunity for those rents to rise to the economic rent of similar buildings.

I do not understand the point here. Here we have a system that is designed to control and moderate rents; yet we are going to set about substantial alterations in the criteria for rent increases that have one purpose and one purpose only, that is, completely to subvert the entire reason rent review was established in the first place, to wipe out the control effect that rent review has afforded in pre-1976 buildings and to bring them up to the so-called economic rent, also known as market rent and also known as whatever one can get someone to pay for rent in a tight market.

I do not know the profile of tenants in older buildings, those most often identified as being the ones that have held their rents down in pre-1976 throughout the province, but I do know that profile in an awful lot of buildings in my riding of St. George and in neighbouring ridings around me.

It is a profile of very stable tenancy, where the units are clearly seen as homes, not as stopping-off places or some other form of tenure, where the tenants very often know one another by name and have been in those units year after year, in some cases five, 10, 15, 20 years and more. They are, therefore, also very commonly older people, people who are 55 or 60 and older and very often they are women—notably, older single women, widowed, divorced, left otherwise on their own—some of whom are pensioned, some of whom are working, none of whom is going around with a great deal of money, none of whom is enjoying extensive Florida holidays or buying very many Cadillacs.

How then will they pay for these adjusted rents? That is not entirely clear. There is some suggestion that it will not be an unreasonable burden upon them. That suggestion leads to only one of two conclusions. Either the minister is really not going to bring the rents up to the

so-called economic rent or he is going to mount a considerably expanded, widespread rent-gearied-to-income proposal and program that is going to subject tenant after tenant to a means test. Which is it going to be?

The landlords, with their sudden euphoria and glee in supporting the announcement, have pointed time and again in the press, on the radio and in meetings to the provision that raising the rents of pre-1976 buildings to the so-called economic rent is the single most important factor in encouraging them to come back and build and to feel supportive about this rent review program.

My colleagues in the House might bear with me if, when I have that information and I look at the questions I have raised about the impact of that pre-1976 adjustment, I draw something less than a charitable conclusion about the ministry's intentions with respect to the tenants. The industry is so ecstatic; yet it is the same industry, and I am sure this did not escape the notice of my colleague the dear member for Bellwoods, who was so stridently critical of the former government with respect to its rent review policy.

That same industry is suddenly so laudatory, suddenly so ecstatic, suddenly so optimistic, suddenly so convinced that a rent review system, with which until a few short months ago it indicated it could under no circumstances build, has supposedly been tightened. Now they are dancing for joy. They are going to bring out the shovels, by gum, and the number of building permit applications will soar and let us just see all those new units built.

5:10 p.m.

I will wait to see, but my concern is that all that joy and all that dancing are going to be loaded on the backs of the older single women who have been long-term tenants in the older pre-1976 buildings in ridings such as St. George and who are not able to afford that so-called economic rent.

I also do not understand, if the proposal is to put everyone on a means test, how it is going to work or why on earth we would want to do that. Why on earth would we want to revert to a system that suggested that all tenants in buildings would be subject to a means test, paying a stated proportion of their income—25 per cent or 30 per cent—for rent?

How, pray tell, do we do that when the nature of the control system has been a control on the unit and not on the individual? How, by the way, do we finance it, "we" being the taxpayers of the province? How, by the way, do we then find the money to put into the opportunities for new

construction, if all we are doing is extending a system that is very akin to a system that came under severe attack in the 1960s, namely, one that afforded no sensible or reasonable control whatsoever on the rents charged but simply made up the difference between whatever rent was going to be charged by the owner of the building and whatever the tenant could afford to pay? It was a bizarre combination of failed programs, and one of dubious intent.

However, if there have been suggestions about secret deals and hidden agendas, this is one area at least where I believe some very clear answers are necessary and where I believe the nature of the changed criteria, the nature of the expectation that has apparently been dangled so firmly and so clearly and that would lead the development industry to jump up and down for joy, ought really to be exposed, and exposed fully. If it is the intention of the government to proceed in the direction in which I can only conclude from the materials before me it intends to proceed, I believe it will have the effect of betraying many of the tenants of this province.

My second concern is in the area of the review, even within whatever the criteria may be. I note that the proposal is to change the rent review process substantially. I think a little bit of review of that is worth while.

Whatever else the Residential Tenancy Commission has been, it has been independent. The proposal now is to provide for a bureaucratic solution to rent hearings on the first level. What is that solution? It is the classic one that is always provided when a suggestion is made about possibly enhancing economies in a system to reduce costs, namely, to get rid of those so-called inefficient hearings.

That is an interesting one. Whom do those hearings serve? In almost every case, they serve the tenants. They are serving them, because it is through the vehicle of that first-level hearing that the tenants have the opportunity to see the filings from the landlords, ask for additional material to be filed, question the filings and bring forth alternative evidence and, directly or through their agents, question the landlord or the landlord's agent on a number of the submissions that are made in the material brought forward to substantiate the landlord's request for the increase beyond the guidelines.

Time and again, it is the presence of tenants raising questions, talking from personal experience about conditions in their buildings, speaking of information they have from their personal, specific knowledge that they feel should also

bear upon it, that leads a hearing officer to agree to require the production of additional information.

After 10 years of an assured hearing at no cost to the tenant, now we are going to have a system that involves some bureaucrat sitting at a desk who may not know anything whatever about the building, who may not call upon the tenant to meet with him personally and who may not permit the opportunity to cross-examine a landlord to decide the first level on the rent.

That is being offered to us in the name of economies and efficiencies in the system. I think it should more correctly be named an offering that denies tenants their now well-established right to have a hearing on any rent increase in excess of the guidelines, a hearing at no cost to themselves that provides them the opportunity to review the submissions in specific and direct detail and to question the landlord.

What happens when a decision is made? The minister has suggested that there is no removal of a hearing, because it is possible to appeal the decision of the bureaucrat. The question is, on what basis is it possible to appeal and to whom does one appeal?

There are things worth noting: (1) There will be a minimum percentage of tenants who will have to file the papers. (2) A fee will now be charged. (3) There may be the opportunity afforded and the threat of assessing costs against the tenants.

What happens if a hearing remains unsatisfactory in its result? Where is the opportunity for further appeal? According to the Statutory Powers Procedure Act, among others, that will be a hearing *de novo*, which is a fancy term for saying that technically the hearing and the hearing officer at that point should disregard all previous information and deal with everything face front, right off the top, clean, as though there had not been any previous investigation and decision rendered.

Of course, in the real world of human personality and foibles, it will be extremely difficult to ignore everything that has gone before, to be mindless of the decisions that have been afforded. The hearing is before a single officer and there is no appeal.

The present system, to the contrary, affords an opportunity for a hearing before a single officer at the outset, with the right of appeal before a panel that would go beyond the single officer in considering the matter before it.

I think these changes are very serious. I do not believe they are simply cosmetic changes and I

do not believe they are simply changes of economy or efficiency. I think they go to the heart of the rights that tenants have experienced in this province and have held as theirs for 10 years, which now are being removed. They are being removed because the level of appeal has been removed, because these changes are being applied and because of the opportunity for cost and percentage requirements. Those are backdoor ways to create problems for tenants, to discourage tenants from appealing and to try to establish an entirely different system that will simply operate by bureaucratic fiat.

5:20 p.m.

I am additionally concerned when I look at the organizational structure that will apply. I happen to be very troubled by the fact that a proposal is being made to disband semi-autonomous operations, to delete the hearings opportunity, to put substantial obstacles in the way of tenants wishing to appeal for further hearings and to provide a system that has that bureaucracy reporting to the assistant deputy minister responsible for the Building Industry Development Board and to the assistant deputy minister responsible for corporate resources and building industry development.

Maybe I am a simple, old-fashioned person, but I believe the names we give things have a reason. They have a clear reason: to denote what it is the organization is supposed to do and for which position it is responsible. I take very seriously the title of that assistant deputy minister and the title of that board, and I believe it is designed to be oriented to the building industry. I ask a very simple question: Where is the orientation to the tenant?

My next area of concern deals with the matter of legal rent. It is a troubling concern to me because it is part and parcel of the degree to which this legislation will continue a pattern of tenant support or will move to gut the tenant support that is supposedly being afforded here.

I will speak at some considerable length when we come to the companion legislation and matters relating to things such as the rent registry. I want to note just one thing today. Included in the proposal for the registry will be a requirement that the landlord file within less than a year the rents actually charged in 1985. Apparently this is to be done without any requirement of notice or affidavit indicating they are legal rents or that to the best knowledge of the owner of the building all increases between now and the year 1976 have been legal. Apparently there is also a limit on the period of time in which

tenants can challenge the legal base; namely, one year.

That points to another facet that raises a question about which side this legislation comes down on. Every tenant group with which I am familiar, from the flagship Federation of Metro Tenants' Associations to individual tenant associations, has noted illegal rent as a major problem. I agree that it is a major problem, and I agree that a rent registry must be put into place. I also happen to agree with the tenants that the registry should go back to 1976 and, as I indicated in my submission to the Thom commission, that registry should be accompanied by affidavits that indicate the rent has been legal rent.

I can find no reason whatsoever for affording or enshrining any protection to landlords who may have charged illegal rents and may have raised their rents illegally. I find it baseless. There is no housing policy that this would benefit. There is no tenant who would find additional accommodation or more moderately priced accommodation by virtue of enshrining illegal rents.

Yet when one strips away the rhetoric of the companion proposal, which would also deal with the degree to which the system is strong and affords protection to tenants, that is precisely what it proposes to do. Failing that, it will place an incredibly large and onerous responsibility on the tenants across this province. It is a responsibility they would work very hard to live up to, but it is a responsibility they should not have to shoulder.

Illegal rents should not be condoned; they should be rolled back. The system should be established in a fashion that does not encourage or enshrine illegal rents and then we can work from there. It should determine and make clear that the rents charged are legal rents and then continue on with the four per cent.

A similar concern comes when we consider the companion legislation that affords protection for existing rental accommodation from conversion or demolition and offers incentives for the building of new accommodation.

I am concerned about the proposals alluded to under questioning the other day by our colleague the Minister of Municipal Affairs (Mr. Grandmaitre). These were proposals on demolition control or conversion control that may be under way now. The current opportunities for demolition control could well do with some strengthening, which would be welcomed.

Conversion control is a very tricky question. Apparently, conversion from rental to nonrental use requires the agreement of the local council. They may have other forms of tenure, such as co-operative tenure, condominium ownership and so forth. That requirement affords an opportunity for the conditions in the rental market in a local area to be attended to and to bear on a decision about the withdrawal of rental accommodation from the rental market.

Until we are able to see the areas that may be changed in that regard, we cannot adequately assess the degree to which we will find a continued direction away from opportunities for moderate rental, away from opportunities in those so-called unduly depressed buildings in the pre-1976 period. As I said earlier, that is something we can come to as we deal in greater depth with some of those items in the omnibus bill.

5:30 p.m.

Finally, I share the incredulity of my friend the member for Bellwoods when he notes the projected housing starts in the two separate programs, one to be targeted to the nonprofit and co-operative sector and the other to be targeted to the market sector.

I may not be as up to date as I might be on revisions to the National Housing Act, but from what I read in the paper these days, very substantial amendments to the National Housing Act are in order. For example, there are amendments that likely will dramatically reduce the opportunities for nonprofit corporations and co-operative corporations, notwithstanding the rhetoric of the minister to the contrary. One of those is most likely to be the imposition of extremely high percentages for rent-geared-to-income units, an imposition and a trend that it would appear the present government of Ontario is prepared to support and indeed intends to support.

Mention has already been made of some of the most successful nonprofit and co-operative developments in this province. I am proud to say that many of them are within the great municipality of Toronto. One that was mentioned is Frankel-Lambert; another is St. Lawrence. I am very pleased to stand before members today as the member of this Legislature whose riding probably has the highest proportion of nonprofit and co-operative housing of any riding.

Those developments are not there by accident. They do not sit with 25 per cent or 30 per cent rent-geared-to-income units by mistake. They are there because they were creations of new

communities, new communities that by definition must mix age, generation and income. It would be a terribly retrograde step to move away from the very solid consideration of neighbourhood, community and mix within buildings and within developments and instead to move back to the isolated income ghettos that characterized the development of public housing in the 1950s and so many private sector suburban developments in the 1960s.

Clearly, the key to success in our society is to afford choice in housing: by tenure, by multiple occupancy or grade-related and by size for those who have small or large households, particularly those with children. There must also be a recognition of effective choice that responds to price. For those who are able to pay, there must be an opportunity to choose; but particularly for those who are not so able to pay, similarly there must be an opportunity to choose to belong to neighbourhoods that are as mixed as we have always felt they should be and as naturally occurring as they always have been, and not find themselves in a position where their freedom to choose is to choose no accommodation or the accommodation of the ghetto.

Mr. Dean: I rise to make a few brief comments on this bill which will probably not be as extensive as those of the previous speaker. I am a little surprised to follow one of our members rather than one from the third party or the government party, who I thought might be interested in making comments on the bill.

Mr. Ward: If the member is so surprised, he should sit down.

Mr. Dean: No.

Mr. Breagh: Did the member say he was dumbfounded, or just dumb?

Mr. Speaker: Is that parliamentary?

Mr. Dean: I would not use that word, because it might be unparliamentary.

Mr. Breagh: What is unparliamentary?

Mr. Speaker: It is unparliamentary.

Mr. Dean: I am particularly surprised that someone who presumably has a number of tenants, and probably property owners too, in his riding, such as the member for Yorkview (Mr. Polsinelli), considers that he does not need to speak on the bill. I hope this does not mean the minister has everybody so whipped into shape on the government side that members have stopped thinking. In any case, I presume that is not the case.

I have about four items I wish to comment on. The first is one the previous speaker went into at

some length. I will not be as long as that, but I do have concerns about how the so-called informal procedure, the first level of discussion about the rent application, will actually proceed.

The idea of informality and the avoidance of a hearing-like atmosphere is probably good in itself. However, I am concerned—the minister can correct me on this in his response later if I am wrong—that it appears there is not an adequate opportunity for either the tenants or the property owners to put at first hand their own respective concerns and to respond to whatever the others might say before the bureaucrat who will be the deciding person here. The fact that this one person or so is sitting in lieu of a panel concerns me.

Running through the whole policy there seems to be a theme that everything is assured; in other words: "Don't worry, kiddies. I am looking after everything well for you. Uncle Alvin has you in mind." How can the minister assure us and, more important, the tenants and the property owners in Ontario that they can be sure that the bureaucrat who is to make the decision actually hears correctly what they are saying and that their rights are protected?

I especially want to remind the minister of the effect on seniors, who will be so many of the tenants affected by the legislation changes, as they have been affected by the Residential Tenancies Act in the past. It may be difficult for them to understand that they are getting a fair shake. I hope they will be getting a fair shake, not only the seniors who are tenants but also the seniors who are property owners and small renters. We need to be concerned about them as well.

The whole procedure needs to be examined again to put to rest concerns that have been expressed to me, which I can see are quite valid, that there may not be an adequate opportunity for tenants, property owners or landlords, whatever we call them, to put their piece across.

I know one thing that will be said is that there is an appeal. Yes, there is an appeal, which is quite proper. However, we note that with the appeal, there is a fee. That is a backward step compared with the present setup. I do not think it is a good procedure. The minister should look at that. He has said in his statement that he is willing to listen to all the good ideas and to incorporate them. Here is a good idea: He should consider taking out this idea of a fee.

My second comment has to do with the experience that I know many of us have had. I have certainly had it in incidents in my own

riding. Some owners have been squeezed by the restrictions to the extent that they have found themselves strapped to provide good maintenance for the amount of rent allowed.

I hope the flexibility that is said to be a hallmark of the new regulations will include consideration that will make it possible for good maintenance to be obtained. We do not want our housing stock to deteriorate. None of us wants ourselves, our neighbours or our constituents to be living in improperly maintained housing units. Very careful thought needs to be given to whether the present procedures do that.

I would be glad to hear the comments of the minister later about how he can assure us—there is that very reassuring word again—that the procedures involved here provide for the maintenance we want to see in all our buildings. Is there enough flexibility in the bill to do that?

My third concern is about the people in our society whom I will call professional agents for tenants or for property owners. I do not mean there is anything wrong with people trying to carve out a position, a job or employment for themselves, but we have heard of people who go around looking for problems they can somehow turn to their advantage. They go fishing for business.

5:40 p.m.

I hope there will be adequate protection so these people cannot be barnacles on the ship of rent review and go snooping around for information from the commission or the board that would lead them to be able to advance their own cause as agents for either landlords or tenants.

If not already fully provided for in present or future regulations, I think they should have to be genuinely authorized by a valid document from a tenant or landlord before they could have access to any of the records of the board or the commission. Can the minister assure us that will be part of his assured housing policy?

I have another less important and more mechanical concern. Without having read extensively all the background and the references in each of the bills, it looks to me as though there could be something of an overlap. I hope there is no conflict, but sections 1 and 2 of Bill 77 that we now are considering appear to me to be very similar, if not identical, to sections 49 to 51 of Bill 78. I trust the people who drafted these have done it in such a way that they are not in conflict. I raise the question as to why we need what seems to be two recitals of the same policies and procedures.

I leave that for the minister to look into. He may already have the answer. I will conclude my remarks with those comments.

Mr. Shymko: Fifteen to 19 minutes may seem adequate to some members. I will attempt to raise the concerns I have and to congratulate the minister on some of the initiatives that have been taken in this bill.

When the minister first sat as a back-bencher on this side of the House on June 10, 1985, I listened attentively to his comments on the speech from the throne. I would like to refer to some of the remarks he made at the time, because they are so important with regard to the perspective we want to see in the legislation he has introduced today.

The now minister said on June 10 that "the issues we debate in this Legislature will affect the lives of the people of Ontario for decades to come." I hope the legislation he has introduced today will have that impact for decades to come. He mentioned that we have inherited standards set by those who administered this great province in the past. He mentioned a variety of names, some of whom were Tories and some Liberals, but in all fairness he was not prejudicial to the partisan relationship or origin of those great members of the Legislature. I would like to refer to some of the standards that were set and that are followed and implemented today by this legislation.

He also spoke of the opportunity to represent people who struggled in many parts of the world to have the simple opportunity to come to this place, to become citizens and to live in an environment "where fairness, justice and decency are fundamental rights." We are the protectors of that tradition of fairness, decency and opportunity.

I would like his legislation and what is being implemented to be in line with the comments he made as a humble back-bencher at a time when he was without the perks and glory, and I must say the responsibilities, of his present office.

I would like to refer to a pamphlet that was given to me prior to the election by one of the members of our Legislature. I believe it came from the member for Fort William (Mr. Hennessey). It is a publication called Tenant News and it is signed by the Premier (Mr. Peterson), then the Leader of the Opposition. This is the first issue, addressing tenants, prepared and signed by the now Premier. It says:

"This brochure, dear tenant, has been prepared in response to the overwhelming number of phone calls and letters that I have received

as a result of the takeover of 10,931 Cadillac Fairview apartment units in Toronto. The unsettling manner in which these properties have been resold and mortgaged highlights some of the inadequacies of Ontario's rent review legislation."

The tragic situation of that famous flip led to some very interesting changes, which the administration of the day resolved, such as the freeze on the financing and pass-through cost at five per cent, for which the present administration is taking credit. What I find unfortunate is the comment made by the then Leader of the Opposition when he said, "I am deeply concerned about the Conservative government's mismanagement of this issue and I am determined to assist you as much as possible in securing tenants' rights."

Since that tragic situation of the tenants of the Cadillac Fairview apartment dwellings had been the motivating factor in so many of these initiatives, why does the minister's bill not address a major concern of the present tenants? On November 26, at a public meeting, the tenants of 2,700 High Park high-rise units met and stated that they would like to have an initiative taken by the receiver, Clarkson Gordon, to convert the units into condominiums.

I want to remind the minister that in our speech from the throne and in the proposals of our administration when we were on the other side of the House, we suggested a very important aspect of assistance. In our speech from the throne prior to this government taking over, we had an interesting proposal for a \$400-million rental supply fund. It was to be used to stimulate co-operative nonprofit housing to resolve the housing crisis and at the same time to provide assistance to help tenants to purchase their first homes.

The minister knows, as we all do, most people still prefer home ownership to renting. I know members of the third party may have some reservations about that because, with their ideological blinkers, they think public ownership may be the solution to the crisis.

Interjection.

Mr. Shymko: The member for Oakwood (Mr. Grande) may have some comments to make in the future about this, but most people still prefer home ownership to renting.

The proposal currently being offered by Clarkson Gordon is to make a survey of the physical plant of these buildings and then sell the units to the tenants as condominiums. This has the overwhelming support of the tenants of the

buildings—tenants about whose protection the then Leader of the Opposition, the present Premier, expressed great concern.

Why is there nothing in this legislation to provide that assistance we were ready to provide for this type of conversion? There is absolutely nothing. It is sheer hypocrisy to say we did nothing to protect these tenants, while passing out these cheap pamphlets of Liberal Grit propaganda. Today, when they have the means and the opportunity of addressing the issues, there is no mention whatsoever in this legislation.

Mr. Speaker: I am wondering how the member is coming to the principle of Bill 77. Are you coming to that eventually?

5:50 p.m.

Mr. Shymko: The principle of Bill 77 is rent review. The principle is there, implementing many of the elements that I, as did the member for St. George, presented before the Thom commission. The reduction from six per cent to four per cent is something we support because we introduced it, as members recall. The inclusion of units built after 1975 under rent review is something we supported as members.

We introduced the expansion of rent review legislation to cover units renting for more than \$750. We introduced the expansion of the five per cent maximum refinancing cap as a result of the flip of the Cadillac Fairview apartments, as members who were elected in 1981 recall. It was the result of our intervention, with the support of all three parties.

Therefore, I support this legislation. I support the fact that the government is addressing these inequities, but I want the minister responsible for housing to look at an area of concern in my riding—not only my riding because I must point out that tenants who live in these buildings would be guaranteed a lifetime tenure in these apartment buildings while the majority would opt for conversion. A minimum of a five-year rent increase would be kept under the current rent control guidelines. This is why there is a reference to rent control. Tenants would have a lifetime guarantee in the proposal being made by the receiver, while others would have the option for conversion.

I know there are concerns that the municipality may have some objections to conversion. At least, the past city council of the city of Toronto had objections. We have cleaned the socialist control out of city council now. We know there is a different composition. I know it disturbs the members to my left, but it is the reality of the day.

Perhaps the city council will change its view on conversion, but the onus is on this government to provide some assistance and to support initiatives which come from the people.

I refer to the statement made by the then Leader of the Opposition in which he states that the needs, the desires and the views of the people are so essential and fundamental to the workings of parliament. The now Premier said in June 1978: "The people of this province must also be guaranteed an opportunity to participate. I do not have to remind anyone here that we are the servants of the people. They are not our servants."

The member quoted Edward Blake, saying, "The privileges of Parliament are the privileges of the people, and the rights of Parliament are the rights of the people." I want the minister to listen to the people in the Cadillac Fairview apartments who are saying: "Help us with assistance. Help us, allowing some tenants to remain tenants with a lifetime tenure guarantee and help us in the conversion." That is the right to property ownership, which I know the minister fundamentally supports. I would like him, while introducing this legislation, to address this crying need by the people in my riding but also in other ridings.

Mr. Speaker: I would like the member to address his remarks to what is before the House.

Mr. Shymko: Finally, the then Leader of the Opposition and now Premier said we should not just speak and expound on our own views of the world, but allow our constituents and the people to speak out. I would like to read to the members the concerns of some landlords. These are the concerns expressed by a constituent of mine. This is Mr. Ib Amonsen, a landlord who owns more than seven apartment units. He is a hard-working immigrant who came to this country following the example described by the minister. He says the following:

"There is a loss of revenue by landlords since the 1975 controls which has escalated to a tragically high level. If counting the inflation rate of the last 10 years—an average increase of nine per cent, for example—on a \$100,000-valued rent-income apartment building since 1975, the compounded loss of revenue is equal today to a full year's rent in 1984."

I am glad the minister is addressing the concerns of landlords in terms of getting back some of the losses that have been incurred. He said: "For 1984 alone, the cost of this loss is approximately \$50,000 per unit. Market value for residential homes went up three or four times since 1974, but not so for apartment buildings."

His concern is that landlords have subsidized public housing accommodation since approximately 300,000 rental units in Metro are owned privately. He also said: "In Metro, landlords have lost more than \$1.5 billion over the last five years and they picked up the tab as a result of rent control."

"Last year," Mr. Ib Amonsen said, "landlords passed on \$150 million of savings to tenants which could have gone in repairs, maintenance, upkeep, and created some \$150 million worth of jobs."

These are concerns that I think the minister is beginning to address. His other problem is the fact that landlords are hit by a very unfair tax assessment. I know the member for Dovercourt (Mr. Lupusella), who has constantly addressed the issue of the unfairness of the tax system, is concerned.

I want the minister to know that for a single home with a \$10,000 assessment, one uses the factor system of eight and pays \$800.

Mr. Speaker: Will the member please return to the bill?

Mr. Shymko: On a duplex with the same assessment, one uses a factor of nine and pays \$900 in taxes, but for an apartment building with seven units or more one uses the factor of 22 and pays \$2,200 in taxes.

This is the unfairness and the burden borne by landlords who are not of Cadillac Fairview proportions. They are the 10-unit, the 15-unit and 20-unit apartment buildings.

Taxes between a six-unit apartment and a seven-unit apartment vary by a 13 factor point in the formula for taxes. The tenants in a seven-unit apartment building are paying the difference. He feels this is unfair. He believes these increases are being passed on as rent increases approved by the commission.

So the minister will not resolve the dilemma simply by this first step. There are much more important issues and the tax formula is something that should be addressed.

I want to conclude by saying that what we are witnessing now is a move in the right direction. The minister will have my support for the passage of this bill. I believe we in Ontario have experienced a prolonged and severe shortage of rental accommodation.

We have the examples of a number of cases. In the case of this legislation, the responsibility of the government to the society which it serves is to intervene sometimes, as we are doing now through law to ensure this basic need of shelter

can be satisfied in a fair and affordable way. I am glad this is addressed.

I point out that in the last administration we were very proud to introduce many of the elements that are being introduced here. I congratulate the minister for recognizing this. I hope he will recognize this. He will have the support of members from all three parties if he continues in that direction. But there are still many loopholes, there are many concerns.

I will say sincerely that if he is planning to have another pamphlet such as this distributed to the tenants of the Cadillac Fairview apartments, he had better start thinking fast about the

commitments he made. If he is saying the Conservatives have mismanaged the issues, then why does he not listen to the people, listen to the tenants and resolve their dilemma?

We are approaching the tragic time when I have to stop talking and I cannot continue to participate, but I thank the members for the opportunity. I move the adjournment of the debate.

Mr. Speaker: I advise the member that an adjournment is not needed because I believe we are continuing the debate.

The House recessed at 6 p.m.

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SPEAKERS IN THIS ISSUE

Andrewes, P. W. (Lincoln PC)
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Bryden, M. H. (Beaches-Woodbine NDP)
Conway, Hon. S. G., Minister of Education (Renfrew North L)
Cooke, D. S. (Windsor-Riverside NDP)
Cousens, W. D. (York Centre PC)
Curling, Hon. A., Minister of Housing (Scarborough North L)
Davis, W. C. (Scarborough Centre PC)
Dean, G. H. (Wentworth PC)
Eakins, Hon. J. F., Minister of Tourism and Recreation (Victoria-Haliburton L)
Edighoffer, Hon. H. A., Speaker (Perth L)
Elston, Hon. M. J., Minister of Health (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Fish, S. A. (St. George PC)
Foulds, J. F. (Port Arthur NDP)
Gordon, J. K. (Sudbury PC)
Grandmaître, Hon. B. C., Minister of Municipal Affairs (Ottawa East L)
Grossman, L. S. (St. Andrew-St. Patrick PC)
Harris, M. D. (Nipissing PC)
Jackson, C. (Burlington South PC)
Johnston, R. F. (Scarborough West NDP)
Laughren, F. (Nickel Belt NDP)
Leluk, N. G. (York West PC)
Martel, E. W. (Sudbury East NDP)
McClellan, R. A. (Bellwoods NDP)
Morin, G. E., Deputy Chairman and Acting Speaker (Carleton East L)
Munro, Hon. L. O., Minister of Citizenship and Culture (Hamilton Centre L)
Newman, B. (Windsor-Walkerville L)
Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue (Brant-Oxford-Norfolk L)
Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental Affairs (London Centre L)
Rae, R. K. (York South NDP)
Reville, D. (Riverdale NDP)
Ruprecht, Hon. T., Minister without Portfolio (Parkdale L)
Scott, Hon. I. G., Attorney General (St. David L)
Shymko, Y. R. (High Park-Swansea PC)
Smith, D. W. (Lambton L)
Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development (York North L)
Stephenson, B. M. (York Mills PC)
Swart, M. L. (Welland-Thorold NDP)
Sweeney, Hon. J., Minister of Community and Social Services (Kitchener-Wilmot L)
Taylor, J. A. (Prince Edward-Lennox PC)
Timbrell, D. R. (Don Mills PC)
Treleaven, R. L., Deputy Speaker and Chairman (Oxford PC)
Ward, C. C. (Wentworth North L)
Wildman, B. (Algoma NDP)

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